

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO CABINET

30 JANUARY 2018

### REPORT OF THE CORPORATE DIRECTOR, SOCIAL SERVICES AND WELLBEING

#### CHILDREN'S SOCIAL CARE - UNIVERSITY FEES

##### 1.0 Purpose of Report

- 1.1 To inform Cabinet of the review that is underway in relation to financial support provided to care leavers with university fees and associated costs.
- 1.2 To seek approval to formally consult on the proposed three financial options to support care leavers attending University.

##### 2.0 Connection to Corporate Plan

- 2.1 This report links to the following improvement priorities in the Corporate Plan:

- Helping people to be more self-reliant;
- Smarter use of resources.

Plus the following background document:

- Medium Term Financial Strategy (MTFS)

##### 3.0 Background

- 3.1 The Authority has for many years provided young people who were previously looked after children with financial assistance, to attend university and higher education courses. This financial support has enabled young people to meet the costs of term time and vacation accommodation, pay for tuition fees and receive weekly maintenance payments.
- 3.2 Such assistance has been provided to young people in the absence of an agreed and ratified policy and there is currently no identified budget from which this financial support can be drawn from. To date it has come out of the care leavers generic support budget.
- 3.3 In the absence of a financial formula there is no guarantee of consistency of practice or equity of the financial support provided to individuals.
- 3.4 In November 2013, Welsh Government commissioned a Review of Higher Education Funding and Student Finance Arrangements in Wales. The Review, chaired by Professor Sir Ian Diamond, ran from April 2014 to September 2016. On 27 September 2016, the Cabinet Secretary for Education published the Review Panel's final report which proposes a costed package of recommendations for the future funding of higher education in Wales. Welsh Government has accepted these

recommendations and plans to start implementing them in the next academic year. (2018/19) This report is also written in light of these recommendations.

- 3.5 The Authority is currently supporting nine care leavers to attend university, and have identified that over the next three years this number is likely to increase. This is very positive and, as Corporate Parents who want to achieve the best outcomes for our young people, it is recognised that there is a need to devise a policy that ensures appropriate levels of financial support, fairness and consistency.
- 3.6 The Social Services and Well Being (Wales) Act 2014, (SSWBA), lays down the Authority's responsibilities with regards to care leavers over the age of 18 who wish to continue their education and sets out what financial assistance the Authority must provide. This will be the basis from which the policy is developed.
- 3.7 In her Hidden Ambitions spotlight report published in February 2017, the Children's Commissioner for Wales, Sally Holland, asks local and national government to pledge their support to realising the ambitions of young people leaving care. The Commissioner wants to ensure that young people leaving care have the same expectations in terms of care and support as their peers and to have an education that helps them to fulfil their potential. To show commitment to children and young people who have been in care, Welsh Government wants to guarantee financial support for care leavers going onto higher education.

#### **4.0 Current position/ proposal**

- 4.1 Currently the Authority pays for each student's term time (approximately £5,532 per year) and holiday time accommodation costs, the shortfall of their tuition fees that is not covered by the Tuition Fee Grant (£3,900 per year based on 16/17 rates), and a weekly maintenance payment during both term and non-term time (as students are not eligible for any government benefits during non-term time) Approximately £4,138 per year). This equates to an average payment of £13,570 per year per student. Most students complete three years of study.
- 4.2 Individual annual payments vary as each student will have different accommodation costs/maintenance requirements depending on where they stay during term time and within the holiday period. The types of arrangements individuals opt for include halls of residence, shared housing, independent living and supported lodgings for example.
- 4.3 The financial assistance currently provided to students by the Authority is in addition to the grants and loans available to all young people attending such education provisions.
- 4.4 Independently of the Authority, each student is currently in receipt of a Tuition Fee Grant (£5,100 per year) and a Welsh Government Learning Grant (WGLG) (£5,161 per year). This is standardised. Students are supported by their Personal Advisor or Social Worker to ensure that these grants are applied for. They do not need to be paid back by the student.
- 4.5 Within the SSWBA, it is clear that the responsible authority must provide to any young person pursuing higher education, a higher education bursary of £2,000 and provide suitable vacation accommodation, or pay the young person enough to

secure vacation accommodation. Currently the Authority is not making a specific bursary payment.

- 4.6 The financial support currently provided to care leavers attending university varies greatly amongst local authorities (see **Appendix A**). There is no consistency between local authorities and so it is difficult to use other local authorities for benchmarking purposes.
- 4.7 Those young people who are already in University continue to receive support as per our current arrangements as outlined in the table below:

#### **BCBC Current Position**

Annual Costs	Paid by BCBC	Paid by Student
Tuition Fees top up (as per 16/17)	£3,900	Nil
Accommodation Costs (term time) *assumed average	£5,532	Nil
Weekly maintenance (term time)	£4,138	Nil
Bursary	£0	Nil
<b>Total</b>	<b>£13,570</b>	<b>Nil</b>

#### **Proposals**

- 4.8 Commencing at the start of the next academic year (2018/19) Welsh Government will no longer be providing students with Tuition Fee Grants. Instead students will be able to apply for a Tuition Fee Loan to cover the total amount of their fees each year which they will have to pay back once earning over an agreed amount.
- 4.9 Welsh Government will provide all students with a minimum £1,000 non means tested Maintenance Grant. Care leavers will be entitled to the highest level of this Grant; £8,100 per year from Welsh Government and the option of a £900 loan to provide up to £9,000 for maintenance. Note that these figures are for outside of London.
- 4.10 This report proposes three alternative options to the current position. Each proposal has been carefully considered and would not compromise individuals but would enable the Authority to support them in their further education and subsequent independence and in the same way as responsible parents would ordinarily do. All three options will be consistent in ensuring that the Authority is compliant with the SSWBA in that it funds vacation time accommodation and provides each student with a bursary payment as a minimum. The different options proposed vary in what is provided to each student in addition to this minimum requirement.
- 4.11 All students will be supported to apply for the means tested Living Costs Grant which is currently £8,100 – all care leavers will be eligible for the full amount. All students will be supported to apply for the £900 loan should they require it.
- 4.12 All students will be supported to apply for a Tuition Fee (repayable) Loan of up to £9,000 which pays for their tuition fees in full if it is a proposal in the chosen option.

- 4.13 As stipulated in the SSWBA, the Authority will provide every student with a bursary of £2,000 which will be paid in three equal instalments at each completed year end. This will be an additional cost to the Authority and so will be factored into the proposed options below.
- 4.14 The Authority will continue to pay vacation accommodation costs. This will not be factored into the options below as it presents no additional costs or savings to the Authority and has to be paid.
- 4.15 Any additional maintenance / discretionary payments made to individuals will be based on an individual assessed need basis and as such are not factored into the three options proposed.

### Options

#### 4.16 Option 1

- Student pays accommodation costs during term time through loans/grants (see para 4.9).
- Authority funds tuition fee of £9,000 instead of the student applying for the loan
- Risk  
The risk in not assisting with term time accommodation costs is that in some cases a guarantor may be required or upfront payment of rent. Where this scenario arises the student will be provided with the option to use some of the £9,000 to secure and part-finance their term time accommodation. The student will then need to pay the top up for tuition fees and any remaining accommodation costs through loans. This creates an additional risk on non-payment. This does not encourage the student to financially invest in their future.
- Benefit  
By ensuring the full tuition cost is paid the student secures their university place. This option would ensure equity as each student would receive an equal amount of funding.

#### Option 1

Annual Costs	Paid by BCBC	Paid by Student
Tuition Fees	£9000*	Nil
Accommodation Costs (term time) *assumed average	£0	£5532
Bursary	£667	
Total	£9667	£5532

\* £9,000 applies to Welsh Universities and would be £9,250 for outside of Wales.

#### 4.17 Option 2

- The Authority does not contribute towards either tuition fees or term time accommodation costs.
- Fees are funded from the Tuition Fee Loan. This would be paid directly to the University from Welsh Government.

- Student maximises maintenance loans to pay for accommodation costs and daily living
- Risk  
The risk of not providing any financial support for higher education above the statutory requirements is the student cannot manage financially whilst at university. Not providing term time accommodation costs may cause issues as a guarantor maybe required for private accommodation. All financial responsibility would be on the student. It may lead to lots of applications for discretionary payments. This does not fit with the ethos of supporting care leavers in higher education.
- Benefit  
Minimum cost to the Authority unless any discretionary payments made exceed top up tuition fees or accommodation costs.

### Option 2

Annual Costs	Paid by BCBC	Paid by Student
Tuition Fees	£0	£9,000*
Accommodation Costs (term time) *assumed average	£0	£5,532
Bursary	£667	
<b>Total</b>	<b>£667</b>	<b>£14,532</b>

\* £9,000 applies to Welsh Universities and would be £9,250 for outside of Wales.

#### 4.18 Option 3 (Preferred option)

- The Authority pays weekly incentive for 40 weeks (e.g. £25 per week)
- Student funds tuition fee of £9000 from Tuition Fee Loan
- Student funds accommodation and maintenance costs from Living Costs Grant.
- Risk  
The risk of not providing full financial support for higher education is that the student may not manage financially whilst at university. Not providing term time accommodation costs may cause issues as a guarantor maybe required for private accommodation. All financial responsibility would be on the student.
- Benefit  
The student will benefit from the weekly incentive payment in addition to the loans and grants available to them. The Bursary (one third of £2000) will be provided at the completion of each academic year to support the student over summer vacation from university. The incentive payment can be made weekly or monthly to support the student.

### Option 3

Annual Costs	Paid by BCBC	Paid by Student
Tuition Fees		£9000*
Accommodation Costs (term time) *assumed average		£5532
40 Week incentive payment	£1000	
Bursary	£667	
Total	£1667	£14532

\* £9,000 applies to Welsh Universities and would be £9,250 for outside of Wales.

### Next Steps

4.19 Cabinet is recommended to consider the information in this report and agree to proceed to 12 week consultation with young people who are currently in higher education and those who are about to take up higher education opportunities. This will involve focus groups, face to face and written communication to ensure that the proposed options are fully explored by those involved.

### 5.0 Effect upon Policy Framework and Procedure Rules

5.1 There is no impact on the policy framework and procedure rules.

### 6.0 Equality Impact Assessment

6.1 An EIA screening has been completed which shows there will be an impact on a small group of young people. When the consultation has been completed and the policy has been finalised, the EIA screening will be revisited to assess the impact and decide if a full EIA is needed.

6.2 Appropriate consultation will be arranged ensuring that relevant policies are applied throughout the process.

### 7.0 Financial Implications

7.1 These are detailed in paragraphs 4.16, 4.17 and 4.18 above. The financial implications of the three options are summarised below:

	Current		Option 1		Option 2		Option 3	
Annual Costs	Paid by BCBC	Paid by Student	Paid by BCBC	Paid by Student	Paid by BCBC	Paid by Student	Paid by BCBC	Paid by Student
Tuition Fees top up	£3,900	Nil	£9,000*	£0	£0	£9,000*	£0	£9,000*
Accommodation Costs (term time)	£5,532	Nil	£0	£5,532	£	£5,532	£0	£5,532
Incentive Payment							£1,000	
Bursary			£667	£0	£667	£0	£667	£0
Weekly Maintenance	£4,138							
<b>Total</b>	<b>£13,570</b>	<b>Nil</b>	<b>£9,667</b>	<b>£5,532</b>	<b>£667</b>	<b>£14,532</b>	<b>£1,667</b>	<b>£14,532</b>

\* £9,000 applies to Welsh Universities and would be £9,250 for outside of Wales.

7.2 To date students have been in receipt of approximately £18,670 per year made up of grants and contributions from the Local Authority. Under the preferred option, option 3, the student will be in receipt of £18,000 funded from loans and grants and in addition will receive a further £1667 per year from the Local Authority in incentive and bursary payments. The student will have a total of £19,667 available to them and so will not be financially disadvantaged during their time of study.

7.3 It is noted, however, that it is possible students will leave university with a maximum loan to be repaid of £27,000 (Tuition Fee Loans over 3 years), and £2,700 if they opt to take out the top up maintenance loan. Loan repayments are only payable when students earn an income above thresholds specified by the Government.

## 8 Recommendation

8.1 Cabinet is recommended to:

- Note the information contained in this report;
- Approve a formal 12 week consultation on the options detailed in this report;
- Receive a report with the outcome of the consultation, which will have included Overview and Scrutiny Committee members, in order for Cabinet to make a final decision.

**Susan Cooper**

Corporate Director – Social Services and Wellbeing  
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## 9.0 Contact Officer

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## **10.0 Background Documents**

10.1 None

