# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE** | **Student Finance Wales – Grants for Dependants** |
| **DATE** | **28 November 2018** |
| **BY** | **Kirsty Williams AM, Cabinet Secretary for Education** |

This statement is to update Members on the action that I have taken, having recently been made aware that over the last decade a number of part-time Welsh domiciled students on distance learning courses have been incorrectly paid grants for dependants (GFDs).

The higher education student support regulations do not allow students on distance learning courses to access GFDs, as they are not physically attending a campus – this policy, and the regulatory application, is applied consistently throughout each UK nation.

The regulations for this part of the student support system have been in place since before devolution of student support in 2006.

As a result of the recent student support and higher education reforms that I have introduced, the regulations were amended in 2018 to ensure that part-time students were able to access maintenance support in line with their full-time equivalents. We are the only UK nation to provide parity of support in this progressive way.

As part of these amendments, we took the opportunity to make explicit provision for eligibility for GFDs.

Following clarification of the policy intent, Student Finance Wales (SFW) and The Open University (OU) in Wales confirmed that in previous years part-time students on distance learning courses had been awarded GFDs, which include Childcare Grant, Adult Dependants’ Grant and Parents’ Learning Allowance. They have confirmed that to date they have assessed 471 applications for support in 2018/19 from students who received GFDs in 2017/18.

SFW and The OU in Wales then placed the students’ applications for GFDs on hold, pending consideration by the Welsh Government. Assessment of the students’ core support (tuition fee/maintenance support) was unaffected.

Having considered the evidence and the potential impact on individual students, I am informing members that I have reached the following conclusions:

* the awards were made by SFW and the OU in Wales in good faith and have arisen solely due to a genuine misinterpretation of the regulations;
* I do not think that it would be fair to allow any of the students to suffer financial loss or hardship as a result of removing access to the support that they have been awarded to date; and,
* that students who started their courses prior to 2018 should continue to receive GFDs until they finish their studies or withdraw from their course (as long as they continue to meet all other eligibility criteria).

I have therefore agreed to write-off the part-time GFD payments made in error totaling £3.25m and this will be recorded in the Welsh Government’s 2018/19 financial accounts. In addition I have also agreed that future awards will be recorded as special payments – further information on the value of the payments will be included in the our accounts in future years.

I have received assurances from SFW and The OU in Wales that all applications have now been processed and awards will be made to each individual student as quickly as possible.

My officials have been working very closely with The OU in Wales and SFW to find a solution which meets the students’ needs and expectations, but also ensures that public funding is managed correctly.

However, it is vital that we take some time to take a look at the processes and procedures in place within Government to ensure that we learn lessons to make sure that this cannot happen again in the future. The Director General for the Economy, Skills and Natural Resources Group has therefore asked the internal audit department of the Welsh Government to review the processes which led to the student grant overpayment and to provide recommendations on improvements to the systems.

I would like to confirm to Members that the Welsh Government has ensured that the 2018/19 student support regulations leave no room for ambiguity regarding the eligibility of students on distance learning courses. New students undertaking a designated distance learning course in 2018/19 are not eligible for GFDs. However, under the new, more generous package of student support, part-time students will have access to maintenance grants and loans. This position provides parity of support for full and part-time students.

I would like to take this opportunity to assure you that I value the unique flexibility that distance learning offers to Welsh students, enabling them to study higher education courses from home.

New students studying with The OU in Wales will continue to benefit from subsidised fee levels compared to courses in England and will for the first time receive maintenance support equivalent to the full time package of support (on a pro rata basis). We are the first country in the UK to offer this parity of support regardless of mode of study.