

2 August 2007

OFFA guidance on reviewing access agreements following revised income threshold levels for maintenance grants from 2008-09

On 5 July 2007 the Department for Innovation, University and Skills (DIUS) announced changes to student finance including substantial increases to threshold levels for the maintenance grant for students entering higher education from September 2008¹.

Action required

The changes mean that current access agreements may no longer be clear or accurate for 2008-09. For example, institutions' existing arrangements may no longer meet the minimum bursary requirement, or the number of students eligible for bursaries might have increased substantially. As a result, **all institutions** should **review** their access agreements for 2008-09.

After reviewing their access agreements, **some institutions** might want, or need to, revise existing access agreements, or submit new ones. This guidance note sets out the process for doing this.

Regardless of whether bursary arrangements need to be revised, **all institutions** will need to provide OFFA with an amended financial return (see Annex B) showing estimates of income and expenditure.

In addition, **all institutions** will need to ensure that they inform OFFA of their inflationary increases to fees and bursaries for 2008-09 (see paragraphs 15 to 18).

Timing

Institutions can submit new or revised access agreements, along with financial returns up until **31 October 2007**. For further details on timing, see paragraphs 32 to 33.

¹ The thresholds will be increased substantially so that, from 2008, students with a residual household income of £25,000 or less will be entitled to the full grant of £2,835. A partial grant will be payable where the residual household income is between £25,001 and £60,000. The Government also announced that Educational Maintenance Allowance (EMA) recipients will be guaranteed the maximum level of student support. DIUS expects to issue a detailed student support memorandum about the 2008-09 arrangements in September 2007. A provisional note is available on the DIUS website at <http://www.dius.gov.uk/he-impact.pdf>

Revisions to access agreements

Financial support packages

1. The Secretary of State was clear in his announcement that the minimum bursary (i.e. the difference between the maximum grant and the fee charged) should continue to be paid to all students entitled to full state support. As the threshold for full state support will rise significantly to £25,000 in 2008-09, institutions will need to ensure that their access agreements meet this minimum requirement.²
2. Beyond this, it is for institutions to decide what level of bursaries to offer and what thresholds to apply. There is no expectation that institutions should raise their thresholds in line with the new Government limits.
3. Assuming that an institution wants to maintain its current spend on bursaries there are several options it might consider in light of the new thresholds.

Example A:

- An institution offering a bursary of £1,000 to those on full state support, and £750 for those on partial support, might retain current thresholds³ and amounts, while making minor wording changes to replace references to full and partial support, with actual income levels.

Example B:

- An institution might extend its £1,000 bursary to those with household incomes up to £25,000 while reducing the eligibility threshold for the £750 award downwards or adjusting the value of the awards.

These are not exhaustive examples and it is for institutions to decide on the most appropriate approach.

4. Whilst carefully considering changes to their bursary policies, and where there is adequate evidence, some institutions may wish to take this opportunity to review their financial support packages more generally in order to more effectively target bursaries and scholarships or to react to the market.
5. However, as there has only been one year of experience we do not expect radical changes to access agreements, unless there is sufficient evidence to support changes. In such instances we expect that most institutions will want to maintain their overall level of expenditure. For example, if evidence suggested that bursary expenditure should be reduced we would expect expenditure on additional outreach to increase accordingly.
6. Many institutions will have been in discussions with their student unions about the experience in year one and we encourage institutions to make use of the expertise of their student unions and involve them in the access agreement review process.
7. In making adjustments to bursary schemes and access agreements more widely we would like to encourage institutions, if they have not done so already, and in the context of their widening participation policies, to consider how their access agreements address the needs of care leavers.

² Many institutions are already providing more than the minimum to those with a household income of up to £25,000. Where institutions are not providing financial support beyond the current minimum requirement, we recognise that they may choose to adjust the levels of outreach expenditure downwards to maintain the overall level of expenditure under the agreement. Where such institutions have not planned any additional expenditure in outreach, fulfilling the minimum bursary requirement will result in an additional cost to the institution.

³ The income thresholds for 2007 were £17,910 for the full maintenance grant and £38,330 for partial maintenance grant, uplifted for 2008 by approximately 2.5% to £18,360 and £39,305 respectively.

8. Given the changes in guaranteed funding for students in receipt of an Educational Maintenance Allowance (EMA), institutions may also wish to consider how this relates to their bursary provision⁴.

Continuing students (entrants in 2006 and 2007)

9. The new arrangements do not apply to continuing students who will remain under the student support arrangements and thresholds that have been in place since 2006-07.

10. Deferred students entering from 2008-09 will be eligible for the new support package. It is of course for institutions to decide whether or not to grant a request to defer.

Provision of information to students

11. Institutions will need to update bursary and scholarship information for 2008-09 applicants on their websites and elsewhere as soon as possible. We suggest that holding statements are put in place that indicate the likely arrangements, but with appropriate caveats that these are provisional and subject to approval. Good practice guidance on the provision of information on the web is available from the OFFA website (<http://www.offa.org.uk/about/publications/research-good-practice/>)

12. We would also encourage institutions to include their student unions in reviewing the financial information available to prospective students. A recent poll commissioned by the Department for Education and Skills indicated that while the message about central support available is well understood, 65% of young people remain unaware that institutions are offering bursaries. If bursaries are to be as effective as possible it's important that prospective students become more aware of the support available. Student unions can offer important expertise and a student perspective in this area.

Milestones

13. Changes to the bursary schemes and student support threshold levels may impact on the milestones that an institution has set itself, particularly where these were gauged in terms of the numbers of students eligible for full state support or bursaries.

14. Institutions should consider whether revisions to their bursaries will affect their milestones and adjust them accordingly.

Annual inflation increases

15. Each year the Government announces, in Regulations, an inflationary amount that can be applied to the maximum fee limit. Institutions are required to uplift the minimum bursary each year to ensure that it meets the gap between the fee charged and the maximum maintenance grant available. There is no requirement to uplift bursary amounts above the minimum requirement but institutions may wish to do so if they intend to ensure that the value of their student support is not eroded over time.

16. There is a legal requirement for institutions to have up to date access agreement at all times. To ensure that access agreements remain accurate for their duration, and that there is no requirement to submit amendments each year, we recommend that wording should be included to say that fees, bursaries and income threshold levels 'may' or 'will normally' be uplifted each year in line with inflation increases announced by the

⁴ Details of how the HE student support guarantee will work have not yet been finalised but DIUS expects to issue a note in September 2007. We expect that many EMA recipients will be guaranteed the maximum level of student support (i.e. the maximum maintenance grant, and the associated rate of maintenance loan) if they progress into higher education; and that the guarantee will be maintained for the full duration of their course. We expect the guarantee to apply to new 16 year old EMA applicants from 2008-09, with the first guarantee holder progressing into higher education from 2010-11. A provisional note is available on the DIUS website at <http://www.dius.gov.uk/he-impact.pdf>

Government. This will allow institutions the flexibility and discretion to take the decision on whether, and at what rate, to increase the various levels.

17. We will ask institutions to confirm separately the actual fee, bursary and income eligibility threshold limits each year without the need to amend the agreement.

18. If continuing students are not covered under revised bursary arrangements, or where no changes are made to bursary schemes, institutions will need to confirm with us the level of fee, bursary and eligibility thresholds that will apply in 2008-09. This can be done as an amendment to the agreement or, where wording allows for increases without amendments (as suggested above), by completing and returning the form at Annex A.

Franchise courses

19. Where franchise arrangements exist these are covered by the access agreement of the lead institution. As a result of these changes, institutions will need to ensure that any franchise partners are notified of any adjustments to their bursary commitments under the agreement.

20. There is no expectation that franchise partners (or institutions within a consortium) will have the same bursary schemes and access measures as their lead institution. We recognise that each partner will have its own needs and priorities to address and it is acceptable for partners to adopt different bursary schemes.

21. Where partner institutions intend to give smaller bursaries this should be made explicit in the agreement. It is not necessary to set out the full details of bursary schemes at partner colleges, but the agreement should commit to providing the minimum.

OFFA's assessment of revisions

22. We assume that, in broad terms, most institutions will want to maintain the proportion of expenditure they have committed to financial support for lower income students and other under-represented groups. If this is not the case, it is for institutions to provide evidence to persuade OFFA of the acceptability of proposed changes.

23. For the purposes of assessing new/revised arrangements we will count any expenditure in financial support for students up to assessed household incomes of £49,305⁵. Although narrower than new Government support levels, this is in line with our original guidance and we think it is important to maintain consistency in our monitoring.

⁵ This is in line with our original assessments based on 2006 limits for partial state support plus £10,000, uplifted to 2008 levels.

Submitting new access agreements

24. Depending on the significance of the required changes to access agreements, institutions can choose to revise existing agreements or submit new ones.

25. Where there are significant differences between bursary schemes relating to continuing students and entrants from 2008-09, institutions may find it easier to submit entirely new agreements for 2008-09 entrants onwards. If necessary, this can take the same format, wording and content as the current agreement but with revised bursary schemes and milestones.

26. If institutions submit new access agreements from 2008-09, we recommend that these should be for a three-year period to tie in with the end of the original access agreement time frame.

Financial returns

27. We are aware that the estimates on income and expenditure were made before accurate data were available on student numbers and income levels. Now we have been through the first year of operation we are asking all institutions to submit revised figures.

28. We recognise that figures on income and expenditure will still be estimates. But now that more data on student numbers and income levels are available, institutions will be in a position to provide more accurate estimates which will provide a more useful reference against which we can assess future annual monitoring returns.

29. The data on student numbers and income levels will also be used in our assessment of revisions to access agreements.

30. If institutions feel that their original forecasts are reasonable estimates and are still valid, there is no need to submit new figures, but they should inform us by email if this is the case.

31. A financial return is available to download from www.offa.org.uk - an example can be found at Annex B. Guidance notes on the completion of the financial return can be found at Annex C.

Timing

32. New or revised agreements and financial returns should be sent to accessagreements@offa.org.uk as soon as possible, but no later than **31 October 2007**. We will assess and approve amended versions on a rolling basis and will aim to issue approval within four weeks of receipt. We recognise that some institutions may wish to wait for further details of the support changes from DIUS in September before submitting their revised agreements to OFFA.

33. If you have any queries about the process for submitting a new or revised access agreement please contact Jean Arnold, 0117 931 7053 or Richard Smith, 0117 931 7151 or email enquiries@offa.org.uk

Fee, bursary and threshold confirmation 2008-09 (Please note this annex is for information only; the downloadable Excel version for submission is available on our website at <http://www.offa.org.uk/access-agreements/guidance-notes/amendments2008-09/>)

This form only needs to be completed where levels have not been updated within access agreements

Institution	
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	2008	
	Continuing students	Entrants from 2008
Fee limit		
Bursary levels and thresholds		
Scholarship levels		

Annex B

Access agreement financial return (Please note this annex is for information only; the downloadable Excel version for submission is available on our website at <http://www.offa.org.uk/access-agreements/guidance-notes/amendments2008-09/>)

Institution	
Duration of access agreement	
Name	
Post held	
Telephone	
Email	

Financial information

	2007-08	2008-09	2009-10	2010-11
Estimated additional fee income (£)				
Estimated spend on financial support to students with household incomes up to £39,305 (£)				
Estimated spend on financial support to students with household income levels between £39,306 and £49,305 (£)				
Estimated amount of additional income to be spent on outreach (£)				
Exceptional costs associated with the access agreement (e.g. administration costs) (£)				

Guidance for completing the financial return

Estimated fee income

The figure provided in the financial return should include:

- all estimated additional fee income (i.e. that which is above the basic fee) for Home/European Union, full-time undergraduates (including full and part-time PGCE and full-time undergraduate social work students)
- all estimated fee income from full-time undergraduate franchised courses.

Where an institution is likely to increase fee levels with inflation each year, this should be reflected in the figures. We know the basic and higher fee levels for 2007-08 and 2008-09 as these have been confirmed by government Regulations. For 2009-10 and 2010-11 we have assumed an average annual rate of inflation of 2.5% consistent with the average of the last 3 years. The maximum full-time basic and higher fee rates are given below:

- **2007-08**
Basic £1,225 Higher £3,070 (confirmed)
- **2008-09**
Basic £1,255 Higher £3,145 (confirmed)
- **2009-2010**
Basic £1,285 Higher £3,225 (assumed)
- **2010-2011**
Basic £1,315 Higher £3,305 (assumed)

The figures should not include estimated additional fee income from courses not covered under the 2004 Higher Education Act. These are:

- courses provided under NHS contracts (such as nursing, midwifery and allied health professions)
- part-time courses.

Expenditure on financial support

All expenditure from additional fee income on financial support for lower income students and other under-represented groups should be included in the financial return. If an institution is likely to increase some or all of its financial support levels with inflation each year, an assumption should be made for this (NB: this should be 2.5% commensurate with the fee increases above).

If institutions provide bursaries to all their students, only that part of the expenditure that will be distributed to lower income students (see paragraph 23) or other under-represented groups should be included.

If institutions decide to commit support to students above £49,305 (see paragraph 23) for example in line with the new Government partial support threshold of £60,000, or even above this, they are welcome to report on this within their access agreements but it should not be included in the financial return.

Where institutions have secured funding from charitable or other sources to provide bursary support to students from lower income or other under-represented groups, this can be included as expenditure in the financial return. This can only be included if the funding was secured in or after the 2001-02 academic year.

Expenditure on 'in kind' awards, such as discounts on accommodation and lap-tops, can be included in the financial return. Expenditure on the overall improvement of services for students and broader 'retention' and learning support expenditure should be excluded.

Where 'in kind' awards do not have a clear monetary value, institutions can use estimated amounts. If these benefits are awarded to all students with no specific means test or eligibility criteria based on under-representation, only that part of the estimated expenditure that will be spent on lower income students or other under-represented groups should be included.

If institutions feel that their original forecasts are reasonable estimates and are still valid, there is no need to submit new data, but they should inform us by email if this is the case.