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Baroness Barran

Minister for the School System and Student Finance

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Professor Patrick Maxwell
Chair, Medical Schools Council
By email: clare.owen@medschools.ac.uk

6 February 2023

Dear Professor Maxwell,

Thank you for your letter of 12 January, addressed to the Secretary of State, regarding funding for medical students. I am replying as the minister responsible for this policy area.

I can assure you that the government is committed to supporting medical students. As you will be aware, students attending years one to four of a standard medical degree course qualify for a fee loan to meet the full costs of their tuition and a partially means-tested loan for living costs from Student Finance England (SFE). Students required to attend years one to four of their courses for more than 30 weeks and three days in an academic year qualify for additional means-tested living costs support as a long courses loan. Students with adult or child dependants can apply for fully means-tested grants and students who are obliged to incur additional costs while studying because of a disability can apply for disabled students' allowances.

Maximum grants and loans for living costs were increased by 3.1% this academic year, and we have announced that they will increase by a further 2.3% next year. In addition, we are freezing maximum tuition fees for the 2022/23, 2023/24 and 2024/25 academic years. By the 2024/25 academic year, maximum fees will have been frozen for seven years, meaning reduced debt for students in real terms. We are also reforming student loans so that new borrowers starting from the 2023/24 academic year onwards will not, under the new terms, be required to repay more than they have borrowed when adjusted for inflation.

For the fifth year of a standard medical degree course (and years two to four of accelerated medical programmes), the government pays students' tuition fees via a non-repayable Bursary, funded by Health Education England via the NHS Business Services Authority. Every eligible student receives an NHS Bursary at a minimum of £1,000, plus a means-tested bursary of up to £3,191.

The NHS Bursary provides additional allowances including for childcare, travel, and accommodation, and to help students manage shortfalls between their income and expenditure.

Students eligible for bursary support for an academic year of their course can also apply for a reduced rate non-means tested loans for living costs from SFE.

Where a student is struggling financially and is eligible for the NHS Bursary, the Exceptional Support Fund is available where they may be able to claim for any sum between £100 and £3,000, depending on current financial circumstances. Additionally, Travel and Dual Accommodation Expenses provides reimbursement towards travel and accommodation costs that may be incurred whilst undertaking a practice placement.

In our guidance to the Office for Students (OfS) on funding for the 2021-22 financial year we made clear that the OfS should protect the £256 million allocation for the student premiums to support disadvantaged students and those that need additional help. The 2022-23 financial year guidance to the OfS confirms universities will continue to be able to support students in hardship through the student premium. Ministers' Strategic Priorities Grant guidance letter to the OfS asks that the OfS looks to protect the student premium in cash terms for 2022-23.

The department has secured up to £75 million to deliver a National Scholarship Scheme. This aims to address the ongoing financial barriers that can restrict high achieving, disadvantaged students from achieving their full academic potential whilst studying in higher education and is in addition to the significant sector interventions already in place.

From September 2020 all eligible new and continuing nursing, midwifery, and allied health students on pre-registration courses at English universities will benefit from at least £5,000 per academic year of additional maintenance grant funding which they will not need to pay back. This funding is in addition to the support that students can already access through the student loans system subject to eligibility and the existing learning support fund, which includes funding for childcare, travel, and exceptional hardship.

Tuition fees and the income-contingent student loan repayment arrangements ensure a sustainable system in which places can be increased and learners make contribution to the costs of their training.

Furthermore, the government provides a significant subsidy towards the costs of all degrees through the teaching grant and write-off of outstanding loan amounts, including interest accrued after the loan term ends (or in case of death or disability) with no detriment to the borrower. This is a deliberate investment in the skills our economy needs.

Moving back to a fully funded central funding system for tuition fees would once again restrict the number of training places that universities can offer.

With the introduction of the maintenance grant of at least £5,000 per year from September 2020, eligible students have access to more financial support than under any previous funding system. This will encourage more people to apply, accept places and complete their courses.

Thank you for writing on this important matter.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Diana Barran".

Baroness Barran

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