

## University Students to Win Higher Grants

### News Story

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About 150,000 students stand to gain up to £1,000 a year in extra grants if they defer entry to university until next year, the government has admitted.

The Department for Innovation, Universities and Skills recently announced a new financial package for students, due to come into force in the 2008 academic year. The higher education minister, Bill Rammell, has now confirmed that the package would also be available to students who deferred entry from this September.

As families of students who are due to start degree courses this year begin to realise that they would be considerably better off in 2008, the government's efforts to boost numbers going into higher education could rebound on universities this year.

Universities have been working hard to appeal to students with bursaries to offset the shock of the introduction of top-up fees. Several institutions depend on recruiting students who may be wavering because of financial considerations. If the penny drops that it could pay to wait a year, some universities could miss their recruitment targets.

At present students are largely unaware of the potential gains to be made by deferring. But even if only a fraction of those eligible opt to defer, it could mean big losses for universities where students are under the most financial pressure.

The new package will entitle up to 150,000 more students to full or partial government grants. Under the new arrangements, students from families with an income of up to £25,000 a year (up from the current £17,500) will be eligible for full maintenance grants.

This means a third of all eligible students in England entering higher education in the 2008/9 academic year will be entitled to a full non-repayable grant, and another third will be entitled to a partial grant.

DIUS estimates that once the system is up and running, 50,000 more students than at present will receive full grants. And more than 100,000 extra students from families with incomes of up to £60,000 a year will be entitled to a partial grant.

The government said it was not concerned about the potential drop in students taking up places this year. But Mr Rammell confirmed that those who defer from this year would be entitled to the new package.

He said: "Changes in support usually apply to new students. The fundamental changes to the system that we introduced in 2006 offer a very attractive support package which continues to be available to students already in the system.

"In both 1998 and 2006 we saw a small increase in applications to universities, followed by a decrease the following year, and then a move back to the trend line.

"We may see some applicants delayed by a year to 2008. But we expect the effect to be small and transient, as it was in the past," he said.

He added: "These are real improvements in the financial support on offer, and they go quite a way up the income scale, helping both low and middle earners."

In 2008/9, for a family on £25,000 a year, the changes mean the grant will increase by about £1,100 to £2,835.

For a family on £40,000 a year, the grant entitlement will be about £1,000, when previously there would have been no grant. For a family on £50,000 a year, the grant will be about £560.

Students with an income of £60,000 will only receive a small grant. But these students will benefit from an increase in the maintenance loan of about £1,000.