

James Wolfe
Deputy Director
Universal Credit Policy Division
3rd floor, Caxton House
Tothill Street
London
SW1H 9NA

30 June 2016

Dear James,

The Social Security (Treatment of Postgraduate Master's Degree Loans) (Amendment) Regulations 2016

The Committee considered the above draft regulations at its meeting on 22 June. The Committee was grateful to Maria Meyer and Pamela Chambers who presented the proposals to them and responded to the questions that arose in discussion.

While the Committee was content that the regulations could proceed without the need for formal reference, it has asked me to draw to your attention some of its concerns for further consideration by the Department.

The issues in question are:

1. It was not entirely clear to the Committee how the proposed system for treating loans available to claimants pursuing postgraduate master's degrees fitted in with the existing regime for the treatment of student loans in the case of undergraduates. The Committee acknowledges the ambition to secure parallel treatment of both groups, but the differences between the two types of loan mean it is difficult to understand precisely where the parallel exists. While recognising the need for DWP to accommodate the availability of the loan within existing benefit rules, the Committee would welcome further information setting out why the approach set out in these proposals was adopted.
2. In a similar way, the Committee was not entirely convinced by some of the reasons provided on why adopting an approach that enabled individual calculations of loan to be undertaken would be administratively burdensome. Members consider that the numbers of students involved are sufficiently low to merit further consideration of this option. They are of the view that it would produce a fairer system of benefit provision than averaging the cost of taking a master's degree and assuming that average in assessing the amount of maintenance to be taken into account.

3. While acknowledging the time pressures faced by the Department in formulating this policy, the Committee was surprised that the Department had not consulted representatives of those likely to be affected by the proposals. They believe that having the views of students, disabled people (one of the categories of students for whom benefit help is available when a full-time course of advanced education is undertaken) and the institutions offering master's degrees would provide an invaluable source of information.
4. Although not a direct consequence of these particular regulations, the Committee has also asked me to raise an on-going issue relating to conditionality for those pursuing part-time courses of study. In particular, they are concerned that someone embarking on a part-time course of study in the expectation that the higher qualification would lead to sustainable long-term employment may be compelled to abandon that course mid-way through to meet conditionality requirements, particularly if the claimant had taken out a loan.

The Committee would welcome your observations on the above points.

In closing, I should emphasise that the Committee recognises the need to formulate these proposals at pace to ensure that arrangements were in place ahead of the new academic year. The concerns raised by the Committee were therefore mitigated, at least in part, by the assurance it was given at the meeting that, should it come to light that the policy is not working as intended or in ways that impacted unreasonably upon claimants, the Department would review the legislation.

Please do not hesitate to contact me should you wish to discuss any of these points, or if you require further information.

Yours,
Denise Whitehead.

Denise Whitehead
Committee Secretary