Bursaries, scholarship programmes and the benefits system

Angela Toal | December 2024

Report

Contents

1. Abbreviations

ADM	Advice for decision making
ADP	adult disability payment
CSP	carer support payment
DWP	Department for Work and Pensions
EMA	education maintenance allowance
ESA	employment and support allowance
FE	further education
HE	higher education
LCW	limited capability for work
LCWRA	limited capability for work-related activity
PIP	personal independence payment
reg / regs	regulation / regulations
SAAS	Student Awards Agency for Scotland
SCP	Scottish child payment
SFC	Scottish Funding Council
UC	universal credit
UC Regs	Universal Credit Regulations 2013
YCG	young carer grant

2. Summary and recommendations

Paying bursaries and scholarships to students in Scotland can provide important additional income. Where such students are also eligible for universal credit, care needs to be taken to ensure the bursaries and scholarships are indeed additional income, and do not just reduce universal credit by the same amount.

Paying bursaries and scholarships to students who are entitled to universal credit will be of most benefit if they are specified as being intended for study costs, rather than living costs. Extra income to help with study costs will not affect universal credit.

Who could this be paid for, and how much could be paid?

- A bursary / scholarship could be paid to student parents (or maybe just lone parents) to help with study costs.
- Up to £2,000 is suggested as an amount that is in line with loans and grants for study costs that already exist.
- A bursary / scholarship extra amount could be paid to student parents in the summer vacation, as this is often difficult financially for student parents.
- Similar support could be provided for care-experienced students, and other groups who are a priority for the Robertson Trust.

Providing a bursary or scholarship to pay for childcare funding for student parents would not affect universal credit (as long as it is not for work hours that are already paid for by universal credit).

Another option would be to make one-off lump-sum payments of bursary or scholarship money. This is likely to count as capital for universal credit, but would not usually affect it.

Unintended harm could be caused if students on universal credit, in particular student parents, are awarded a scholarship or bursary for living costs which reduces or stops their universal credit entirely. Where this then means they are no longer eligible for other benefits which are dependent upon receipt of universal credit, there is additional unintended harm.

Other non-financial support for students could be considered as well as, or instead of, bursaries and scholarships, such as providing equipment, or counselling, without any impact on universal credit.

The rest of the report sets this out in more detail, and includes references to law and guidance.

3. Introduction

The Robertson Trust has a longstanding scholarship programme, Journey to Success. The programme supports young, full-time, undergraduate students from low-income backgrounds who have faced barriers to access higher education, and who are studying in Scotland.

The programme provides a bursary of up to £4,250 per year. It provides non-financial support alongside this, such as training, pastoral support, mental health support, and internships. Postgraduate support is also provided for some students, in particular for students on courses that require postgraduate study to fully utilise their degree (for example, law diplomas).

CPAG in Scotland has been commissioned to produce a report, mainly looking at how scholarship / bursary offers interact with universal credit. The report considers mature full-time university students, and within that looks at the priority groups of lone parents, new parents of young children, care-experienced students, and carers. It also considers these groups studying at HE level in college. For these groups, consideration is also given, where relevant, to how scholarship / bursary offers interact with carer support payment and other key benefits for students.

The report looks too at a secondary priority group of prospective students earlier in the learner journey - eg, school pupils, and adult returners. Of low priority for this report are part-time students, college FE students and apprentices, who are covered briefly.

Risks of unintended harm with scholarship/bursary options are considered. The wider social security impacts of course design are touched on, and suggestions made for other new bursary offers, such as ways to boost take-up of benefits, or other funding eg, childcare support. Presentation of options and recommendations for a scholarship/bursary offer are based on where it is considered there is most added value.

4. Student funding and social security benefits

The interaction between social security benefits and student funding is explored here in relation primarily to universal credit, and to bursary / scholarship support from a charitable organisation. The aim is to provide additional financial support for students, without the funds merely reducing their benefit entitlement. For the avoidance of doubt the student funding outlined here is student funding available in Scotland to Scotland-domiciled students.

Carer support payment, young carer grant and some other benefits are also considered.

Key points

- Full-time students who can get universal credit are limited to, mainly, parents, some disabled students, students with a non-student partner, and young people in further education who have no parental support.
- Most student funding counts as income for universal credit. This includes loans for maintenance, and most educational grants - including most scholarship and bursary income. The Robertson Trust scholarship payments would normally count as income.
- Educational grants, which includes scholarships and bursaries, do not count as income for universal credit if they are for study costs.
- Educational grants, including scholarships and bursaries, paid in a lump sum, as a one-off payment, are likely to count as capital for universal credit, rather than income.

Student eligibility for benefits

The report focuses on those full-time students who are eligible for universal credit. This is mainly students who are parents ('responsible for a child'), some disabled students, students with a non-student partner, and young people in further education (FE) who have no parental support (in certain circumstances - eg, because they are estranged, or have previously been in local authority care ('care leavers')).[1]

Students are eligible if they have responsibility for a child. This will generally apply to parents, but may also apply to others, for example, to an older sibling who has care of a younger sibling after their parents have died, or other similar circumstances. Where parents are separated, it is only the parent with main responsibility for the child or children who will be eligible for universal credit under the responsible for a child category.

Note that eligibility for universal credit for students who have no parental support is only for young people (under 22) in FE. The other groups of students who can claim universal credit (student parents, some disabled students, students with a non-student partner) apply in both further and higher education (HE).

Brief mention will be made, where applicable, to the new Scottish carer support payment, the young carer grant, and several 'passporting' benefits.

Student funding

Student funding for full-time students is very different at FE level than it is at HE level.

- FE (sometimes referred to as non-advanced) is education below the level of a Higher National Certificate, and includes school-level and National Certificate courses.
- HE (sometimes referred to as advanced) is Higher National Certificate level and above, and includes Higher National Diplomas, degrees and postgraduate courses.

Students at school, or doing an FE course at college, and aged 16-19, can access an education maintenance allowance (EMA), if their household income is low enough.

Full-time FE (non-advanced) students at college who are aged 18 or over may be eligible for a bursary maintenance allowance, which is a discretionary entitlement and is means-tested. College student funding is administered by the college, but comes from the Scottish Funding Council. It is administered by college staff in line with national policies.[2]

Full-time HE (advanced) students are mainly supported by a mixture of (repayable) student loans and (non-repayable) grants. Eligibility for these depends on the course itself, and also on student circumstances. HE funding is mainly administered by the Student Awards Agency for Scotland (SAAS). Most full-time HE students are eligible for a student loan for maintenance, plus a student loan for course costs (the new 'special support loan').[3]

Student funding is different for students who are 'care-experienced'. It is in the form of a grant, and is available in both full-time FE and HE. This means that a small number of HE students receive grant funding rather than loan funding, due to their status as care-experienced.

Student funding provision for nursing, midwifery and paramedic students is different again. They are funded by grants rather than loans.[4]

Universal credit and student funding

Universal credit is the social security benefit that provides support for people of working-age. This includes money for the individual and any partner they live with, children, rent, extra money for illness or disability, for caring responsibilities, and help with childcare costs while working. Universal credit is means-tested, so is affected by income.[5]

- The universal credit legislation says that some payments count as income and others do not.
- If it does not count as income then universal credit is not affected by the payments.
- Student loans for maintenance, and most student grants, count as income.
- Apart from a £110 a month disregard, student funding that counts as income for universal credit is fully taken into account and reduces UC pound for pound.

Note that a maintenance loan counts as income for universal credit if the student could get one by taking 'reasonable steps'.[6] Therefore, a student who is eligible for universal credit cannot realistically choose to stay on universal credit instead of applying for a student loan, as the notional loan they could have got will be taken into account as income anyway. This is the case even though a student loan is repayable.

The new special support loan, introduced in Scotland for the 2024/25 academic year, does not count as income. It provides an additional £2,400 a year income for students, and because it is for study costs it does not (further) reduce universal credit for those students who take this out.

The legislation for various benefits, such as income support, was amended to specify that the special support loan is disregarded.[7] Note that the universal credit legislation was not amended to say that the special support loan is disregarded, but that is because it is already clear from the universal credit legislation that student funding for study costs does not count as income.

There are two different provisions setting out what student grants count as income for universal credit:

- 1) the first sets out the rules for students who are eligible for a maintenance loan (most HE students), *and*
- 2) the second is for students who are not eligible for a maintenance loan (FE students, nursing, midwifery and paramedic students, and care-experienced students).

For the first group, broadly, educational grants that are paid alongside a maintenance loan are mostly disregarded for universal credit.[8] The exceptions to this are grants for someone who is included in the student's universal credit award (ie, a partner or children; for example the lone parents' grant counts as income), and grants to pay rent that is already paid for through the universal credit award. These are taken into account for universal credit.

Therefore, an educational grant, such as a bursary or scholarship, awarded to support such a student with their general living costs (but not for their partner, children or rent) would not affect the universal credit awarded to these students.

Also, these provisions mean that grants for study costs are disregarded for this group.

For the second group, the law says that most educational grants paid to students who are not eligible for a maintenance loan are taken into account for universal credit. The exceptions are grants that are for certain types of study costs - such as books and equipment, travel expenses and childcare costs (listed fully in the endnote).[9]

So, in order to be ignored for these students, an educational grant would need to be for certain study costs, as listed in the endnote above.

The intersection between these two groups is study costs - such as books and equipment, travel expenses or childcare costs. For bursary or scholarship money to be ignored for all students on universal credit, it would need to be specified that it is intended to be for such study costs.

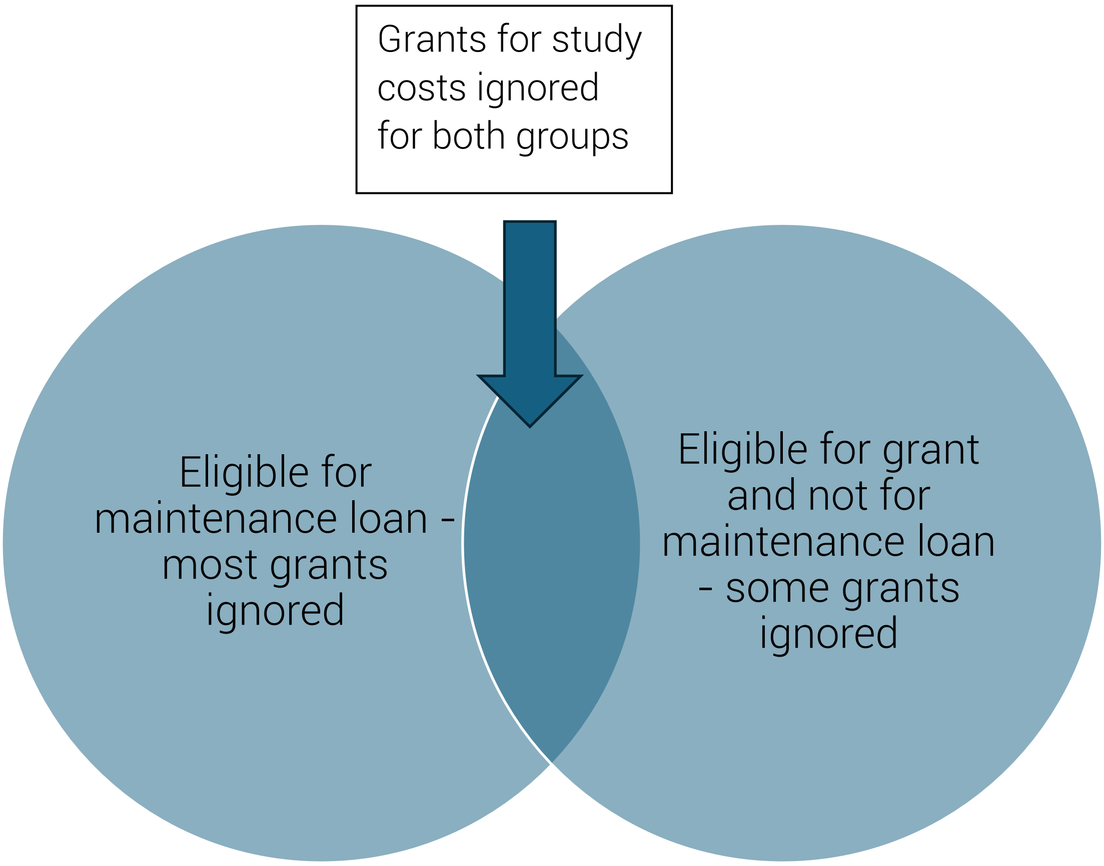

Diagram 1 - Treatment of grants for students on universal credit

Type of payment

The way that grants are paid may also be important. Educational grants that are paid in a lump sum, and are a one-off payment, are likely to be counted as capital rather than income. This would be the same for all students, whether in FE or HE, and whether eligible for a maintenance loan or not. It would not matter what the payment was specified as being for.

A one-off lump sum payment would have to be just that, and not a termly payment, or a two-part payment.

Having capital under £6,000 does not affect an award of universal credit. If the student already had capital and the grant took it over £6,000, their universal credit would be affected

5. Interaction between universal credit and bursary or scholarship

Table 1 - bursary or scholarship income impact on universal credit.

Robertson Trust offer	Student funding category	Does it affect UC?	Notes and warnings
bursary or scholarship for living costs	for students who get or are eligible for a maintenance loan	No	This would not further reduce their UC (as long as it's not paid for someone who is included in the student's universal credit award, or to pay rent that is already paid for through the universal credit award).
bursary or scholarship for living costs	for students with grant funding (and not eligible for a maintenance loan)	Yes	This would reduce their UC further £1 for £1; they would see no financial benefit.
bursary or scholarship for study costs	any students	No	This would not reduce students' UC.
bursary or scholarship lump sum, one-off payment	any students	No	This is likely to be counted as capital and should not reduce students' UC (unless it takes their total capital to over £6,000).

Priority student groups

The initial priority for the Robertson Trust's development work on the scholarship programme is to look at mature full-time university students, with particular focus on those who are lone parents, new or recent parents, care-experienced and unpaid carers.

Parents

Note that this section applies equally to student parents who are 'articulating students' on formal 2+2 or 1+3 routes, and college HE students.

Depending on household income, lone parents and new and recent parent couples should be able to get universal credit while studying full-time at university. They may be eligible for a maintenance loan, as well as other student funding, such as a lone parents' grant. This would all count as income for universal credit, apart from the £110 a month disregard (as explained above in the 'first' group: maintenance loan and a grant for someone who is included in the student's universal credit award count as income).

Or they may be eligible for a grant for maintenance (for example, care-experienced parents), as well as other student funding, such as a lone parents' grant. This would all count as income for universal credit, apart from the £110 a month disregard (as explained above in the 'second' group: only grants for study costs are ignored, the rest count as income).

They may also be eligible for other funding for study costs, such as childcare funding from the college/university. Funding for childcare does not count as income for universal credit. Note that parents who are working can get childcare help through universal credit, but this is only for hours of work, and not for hours of study. Students need to seek help from their institution for childcare funding while they are studying.

Providing a bursary or scholarship to pay for childcare funding for study hours would not affect student parents' universal credit. However, if they did get help through universal credit for childcare costs while working, the costs of the help for the different hours would need to be clearly separated. Universal credit can pay up to 85% of childcare costs for hours of work. If some of these were paid for through an educational grant, then universal credit would only pay 85% of the remaining childcare costs for hours of work.

Case study

Suki is a lone parent with a three-year old child, who works part-time and is studying for a degree. Her universal credit includes 85% of childcare costs for hours she is working. She gets a childcare grant from the university which helps with her childcare costs while she is studying. Her universal credit does not change as she is able to evidence that her childcare grant only covers hours of study.

A bursary or scholarship for living costs paid alongside a maintenance loan would be disregarded for universal credit, unless it is for someone who is included in the student's universal credit award, or to pay rent that is already paid for through the universal credit award. For example, a grant to support children who are included in the student's universal credit would be taken into account as income. Likewise, a grant towards someone's rent that is already paid in full through universal credit would be taken into account as income. But any other grants would be disregarded, including a grant to pay rent which is not covered by universal credit – ie, where there is a shortfall in the rent paid by universal credit.

Case study

Lewis is a lone parent with a 12-year-old child, and is studying for a degree. His universal credit includes a housing costs element of £620 a month. He is renting in the private sector and his rent is £700 a month, which is more than the amount paid by universal credit. He is awarded a bursary of £80 a month, which specifies that it is intended to meet the shortfall in his rent. This does not affect his universal credit amount. During the year he is awarded an additional £50 a month to pay for a new mobile phone contract. As this is not for someone who is included in the student's universal credit award, or to pay rent that is already paid for through the universal credit, it does not affect his universal credit.

But student parents who are funded by grants rather than maintenance loans would have a bursary or scholarship for living costs (such as for help with rent, mobile phone costs or just general living costs) taken into account in their universal credit award. This means that care-experienced student parents, and nursing, midwifery or paramedic student parents, would see no financial benefit from the bursary or scholarship money if it was for living costs.

Furthermore, the bursary or scholarship income might lift them off universal credit altogether. This would mean they would lose entitlement to all 'passported' benefits. This includes Scottish child payment (SCP), Best Start grants, Best Start foods, free school meals and free dental treatment. These 'passported' benefits provide vital additional support for low-income families. There could be significant unintended harm if the scholarship or bursary payments meant student parents lost entitlement to universal credit completely.

In practice, offering a bursary highly tailored to students' individual circumstances (such as paying for rent shortfalls) is not practical, even with one-to-one advice. Therefore, taking all of this into account, we are recommending that the bursary / scholarship payments should be explicitly stated as being intended for study / course costs.

- A bursary or scholarship for study / course costs - when paid alone, or alongside any other kinds of student funding - would be disregarded for universal credit. This means that any student parents would see the full financial benefit from the bursary or scholarship money.

This can include paying for childcare for study hours, but would need to be combined with careful advice to students to avoid the risk of overlapping with childcare for work hours paid for by universal credit.

A question remains as to how much could legitimately be paid for a course or study costs? This may depend on individual circumstances such as childcare costs, travel costs or particular needs for equipment for that course or that individual. The special support loan (which is for study costs and disregarded for universal credit) is £2,400. DWP were consulted before its introduction, and legislation has since been passed disregarding it for benefits, where applicable. In England the special support part of the loan is £4,327. Therefore, it seems feasible that a scholarship of several thousand pounds a year might be an acceptable amount for study costs, or even more in individual circumstances.

Another possibility is to make a one-off lump-sum payment of scholarship or bursary income. The law isn't explicit, but we expect this would count as capital rather than income for universal credit. This is how college and university discretionary funds that are paid as a lump sum are treated. As long as the student's (and any partner's) capital is no more than £6,000, this would not affect their universal credit. It doesn't matter what it is paid for, or what it is intended to be spent on.

Note that a one-off lump sum payment would have to be just that, at least at the outset. A one-off payment would have to be awarded, not a termly payment, or a two-part payment. If further through the course year an additional payment became available for the students then this should be fine as it would be a discrete, unanticipated, additional, one-off payment, rather than part of a series.

Some bursary / scholarship money during the summer vacation could also be paid to student parents, as this time is often difficult financially for student parents. As above, a one-off payment in the summer should count as capital.

Bursaries, scholarship programmes and the benefits system

In summary:

- bursary / scholarship payments for student parents would be most helpful if they are for study / course costs
- the Robertson Trust should explicitly state that the bursary / scholarship is intended for study / course costs
- student parents should declare the income to universal credit, and it should be ignored as income if they can evidence that it is intended for study / course costs
- a one-off lump-sum payment of scholarship or bursary income should count as capital rather than income for universal credit, and as long as the student's (and any partner's) capital is no more than £6,000, this should not affect their universal credit
- a one-off lump-sum payment of scholarship or bursary income could be considered during the summer vacation

Care-experienced full-time university students

Care-experienced students on full-time HE courses are unlikely to be eligible for universal credit (unless they are also a parent, or disabled, or live with a non-student partner). At HE level it is only student parents, certain disabled students and students with a non-student partner who can get universal credit.

Care-experienced students are not eligible for a maintenance loan. Instead, they can access a care-experienced bursary which provides non-repayable grant funding. This bursary is £9,000 per year. It counts in full as income for universal credit (subject to the usual £110 a month student income disregard). Therefore, any universal credit they are entitled to will be reduced due to the student funding, and may end universal credit for some students (ie, where the student income is higher than their universal credit amount).

Any additional scholarship or bursary income for living costs would reduce universal credit further, on a pound for pound basis.

As above, a one-off lump-sum payment of scholarship or bursary income should count as capital rather than income for universal credit

Case study

An adviser contacted us about a young care-experienced student who had recently had her first child. She gets a care-experienced bursary, as well as the local authority paying for her accommodation. This means she is not eligible for any universal credit: because she doesn't have to pay rent, her maximum universal credit amount would only be around £600 a month, and her bursary is higher than this. She cannot get 'passported' benefits, so misses out on Scottish child payment £26.70 a week, Best Start grant pregnancy and baby payment one-off payment of £754.65, and Best Start foods £10.60 a week vouchers for certain foods and milk.

This can be seen as an unintended consequence of well-meaning non-social security financial support taking a student beyond the reach of the benefits system, and therefore not being able to access various passported benefits. Of course, she may not actually be worse off overall, but in some cases at least such student parents will be worse off.

In summary:

- bursary / scholarship payments for care-experienced students who are eligible for universal credit would be most helpful if they are for study / course costs
- the Robertson Trust should explicitly state that the bursary / scholarship is intended for study / course costs
- care-experienced students should declare the income to universal credit, and it should be ignored as income if they can evidence that it is intended for study / course costs
- a one-off lump-sum payment of scholarship or bursary income should count as capital rather than income for universal credit, and as long as the student's (and any partner's) capital is no more than £6,000, this should not affect their universal credit

Full-time university students who are unpaid carers

Unpaid carers who are students on full-time HE courses are unlikely to be eligible for universal credit. At HE level it is only student parents, certain disabled students and students with a non-student partner who can get universal credit.

However, they may be eligible for the new Scottish carer support payment (replacing carer's allowance). This benefit rolled out fully for new claims across Scotland on 4th November 2024. HE students who meet the conditions for this benefit are eligible. They are paid £81.90 a week carer support payment. This is further supplemented by the Scottish carer's allowance supplement, which is currently paid in two lump-sums per year to those entitled to carer support payment on a 'qualifying date' (8 April and 7 October in 2024). It is £288.60 every 6 months in 2024. Note that in future it is planned to pay this extra supplement alongside carer support payment, rather than in twice-yearly lump sums.

The carer support payment rules for students are more generous than the carer's allowance rules, the benefit it is replacing. Full time students are not eligible for carer's allowance.

- Student income can be paid on top of carer support payment.
- Carer support payment is not means-tested so does not take account of any student income paid to an individual.
- A student could therefore have carer support payment, plus a maintenance loan and/or grant, and also get scholarship or bursary income without this reducing or affecting their carer support payment.

Student carers who cannot get carer support payment and are 16-18 may be eligible for a young carer grant (YCG) instead. This is a one-off lump sum payment, payable once a year. It is planned to extend this to 19-year-olds in 2025.

Impact of bursary or scholarship income:

- for student carers who get carer support payment or young carer grant, this will not affect their carer support payment or young carer grant
- for student carers who can get universal credit (eg, student carers who are also parents) this may affect their universal credit – see table 1, and the section on parents, above

Articulating students on formal 2+2 or 1+3 routes and college HE students

'Articulating' courses have many similarities to university courses, therefore the above sections on full-time university student parents, care-experienced students and unpaid student carers apply to this group.

The student funding is the same for all full-time HE students whether at college or university, or on an articulating course between the two.

Universal credit eligibility is the same for all HE students.

In addition to the above discussed groups, students on these courses who live with a non-student partner would be eligible for universal credit. Entitlement would depend on household income. Students who have student income and a partner in work would be less likely to have any entitlement to universal credit. Students who have student income and an unemployed partner are more likely to be eligible for some universal credit.

- Scholarship and bursary income paid to a student with a non-student partner, who is eligible for universal credit, would be treated in the same way as explained above (see table 1).

Secondary priority student groups

A secondary priority for this report is to consider the impact of bursary and scholarship income on prospective students earlier in the learner journey. This includes children in school, and adult returners.

Prospective students - children in school

Children in school will normally be supported financially by their parents. If their parents are on universal credit, they are likely to get an extra amount for any child at school (subject to the 'two-child limit'). Any bursary or scholarship income paid to these children would have no impact on parents' universal credit. This is because the only income taken into account for universal credit is income of the adult(s) who are getting universal credit.

Bursary or scholarship income could be paid to children at school to encourage them to take up further or higher education, without affecting parents' benefits for these children/young people. They may also be eligible for an EMA of £30 a week.

Prospective students - adult returners

Adults who are returning to education after time out of education may already be on universal credit. They would only be eligible for universal credit when studying full-time HE if they are student parents, certain disabled students and students with a non-student partner. (For adult returners to FE, see the section on college FE students below.)

Bursaries, scholarship programmes and the benefits system

Some adult returners may not get the usual student funding. In particular, they may not get tuition fees paid for them if they have completed an HE course after 2004/05. But they would still have access to student loans for maintenance.

Bursary and scholarship income paid while on the course would be taken into account as already noted in table 1, above.

Bursary and scholarship income paid to adults planning to return to study, as an incentive to return to education, would not count as an educational grant, as that can only apply when someone is actually on a course. Instead, it should be seen as a voluntary payment, and would not affect universal credit.

Identifying individuals planning to return to study may be difficult. Those already on an access course such as Scottish Wider Access Programme, could clearly be identified, but they are already in education, so bursary and scholarship income paid while on the course would be taken into account as already set out in table 1, above.

Low priority student groups

A low priority for this report was to consider the impact of bursary and scholarship income on part-time students, college FE students and apprentices.

Part-time students

Part-time students can normally stay on universal credit – provided they can meet any work search requirements that they have. They do not usually qualify for very much in the way of student funding.

If they do not have any other student funding for maintenance (student loans and grants for maintenance are generally not available for part-time courses, with the exception of some funded postgraduate courses), bursary and scholarship income paid for living costs would attract the £110 a month disregard, as the disregard would not already have been 'used up' by other student funding. The rest would count as income pound for pound, and reduce universal credit.

- Bursary and scholarship income paid for study / course costs would be ignored completely.
- One-off lump-sum payments of bursary or scholarship income are likely to count as capital.

College FE students

Full-time college FE students who are eligible for universal credit are mainly student parents, some disabled students, students with a non-student partner, and young people who are 'without parental support'. The latter group applies to FE students under age 21, and where they are living away from parents because they are orphaned, estranged, are a 'care leaver' or in some other circumstances.

FE students may be eligible for a discretionary bursary maintenance allowance. If awarded, this income will reduce their universal credit, with the first £110 a month disregarded. A smaller award of bursary maintenance allowance is usually made to minimise impact on universal credit.

- Any bursary or scholarship income for living costs paid in addition would be taken into account in full.
- Any bursary or scholarship for course costs would be ignored.
- Bursary or scholarship money paid as a one-off lump sum payment is likely to count as capital, and not reduce universal credit (unless it takes their total capital to over £6,000).

Apprentices

Apprentices are not usually students, but employees. They are paid and are employed and generally study one day a week – ie, on a part-time basis. They are not excluded from universal credit, although whether they get any will depend on their circumstances, their employment income and any other income they have.

As they are studying, albeit part-time, it is likely that any bursary or scholarship income for living costs would count as an educational grant and be taken into account in full (with just £110 per month disregarded).

For young apprentices (age 16-19), there is a household impact. The parent loses child benefit and universal credit child element for the young person. This is in contrast to young people at school or in full-time FE, where the parent keeps their child benefit and child element. It means that households can experience a significant loss of income when a young person starts an apprenticeship.[10]

6. Non-financial support

There may also be added value in providing non-financial support to help these groups to get in, stay in and get on in their education and career.

Types of non-financial support

The Access to Work scheme that helps people in work is not available to students unless they are also in work. But the kind of support it offers may well be needed by students. For example, it can help with specialist equipment and assistive software, costs of travelling to work and support to manage someone's mental health.[11]

Non-financial support for students could include providing technology, equipment – anything to enhance students' participation in lectures, etc. The provision of equipment would not impact on a student's benefit entitlement.

Help with travel costs to college or university could be money paid directly to students to help with course travel costs (financial support), or it could be a range of other things such as purchasing travel passes for students who need them, or campaigning for government to provide free bus passes for students (non-financial support). In either case this would have no impact on benefits.

It could also include provision of support via things like funded counselling sessions, or other health and wellbeing services. The British Association for Counselling and Psychotherapy (BACP) says that "For more than a decade, higher education institutions have seen an increase in both demand for counselling services and an increase in the complexity of the issues students need. This is widely evidenced across the sector and in line with the trends from the Mindometer."[12] Assistance could also be given for colleges and universities to develop a mental health action plan.[13]

Cost of living continues to make life harder for students, with significant numbers accessing foodbanks.[14] Provision of supermarket vouchers, or fuel vouchers (to pay for energy) would be unlikely to impact on a student's benefit entitlement, and if there was any decision that they count as income they should challenge it. Vouchers could be provided for emergency support, as a cash-first alternative to foodbanks (alongside effective signposting for benefits advice).

Course design

Normally undertaking a full-time course means you cannot get universal credit - unless you are in one of the groups already described above, such as parents and disabled students.

Undertaking a full-time course also means you can apply for council tax exemption. This is a very helpful cost reduction for students, as they very rarely have to pay council tax (an example of a student who might is a student parent who owns their house and has grown-up children living with them who are not students).

Some more recent courses are designed to be short, and to allow students to progress into work more quickly or progress onto another course more quickly. For courses less than 24 weeks long students do not qualify for a council tax exemption. They may be doing a full-time course, but because of its short duration they are not eligible for exemption (note: apart from students aged 18-20 in further education, for whom the rules do allow council tax exemption for short courses).

There are therefore additional costs for students on these short courses, as they have to pay council tax from their income. Consideration of these wider issues is important in designing courses.

Over the years there have been various initiatives allowing people to attend courses and stay on benefits. For example, at the moment Train and Progress allows people to take part in full-time study without losing their universal credit. The course has to be one that a work coach at the Jobcentre refers someone to, and has to be a full-time training opportunity of up to 16 weeks in length. CPAG Is not aware of how much this provision is used, as it hasn't come up on our advice line, but Robertson Trust may want to find out more about this if wanting to explore course design further.[15]

Take-up of benefits

Bursary offers could also include ways to boost take-up of benefits, or other funding. For example, students are often confused about help with childcare costs, and CPAG has had queries on our advice line about whether universal credit can be used for help with childcare while studying (it can't). Signposting to advice about this for students could be useful.

Entitlement to social security benefits for students is complex, and often students, and indeed advisers, are not aware of how this works or how student income might affect it. Universal credit administration regularly make mistakes with student entitlement and student funding calculations, often resulting in large overpayments which students then have to repay. (All universal credit overpayments are repayable, even if they are due to DWP error.)

Frontline advisers in local authority welfare rights teams, Citizens Advice Bureaux, housing associations, student advice teams and others can help with advice. Again, signposting to appropriate advice services is important.

New benefits such as carer support payment, which is available to many student carers, need to be promoted and taken up as widely as possible by students who are eligible.

- The Robertson Trust could ask all their scholarship students if they're unpaid carers and, if so, signpost them for advice.

The Student Information Scotland website has some information on benefits for students and where to get help, but this could be improved, for example it could be updated regularly, and checked.[16]

The Robertson Trust could consider drawing up good signposting for students, whether they need advice about benefits, budgeting, debt or something else.

7. Further research

There are some suggestions for further research that arise from this report.

Although not one of the priority groups for consideration in this report, there is a benefit issue for disabled students. The universal credit rules narrow entitlement to benefit for disabled students, compared to entitlement under previous benefits such as income-related employment and support allowance (ESA) and housing benefit. Disabled students have to get a disability benefit, such as adult disability payment (ADP) or personal independence payment (PIP), *and* have been found to have limited capability for work (LCW) or limited capability for work-related activity (LCWRA) for universal credit or ESA *before* they start studying. DWP say this is to promote the 'policy intent', which is 'that an existing universal credit claimant who is entitled to a qualifying disability benefit such as PIP and who has already been determined to have LCW can retain entitlement to universal credit if they subsequently start a course of education', and to 'hopefully give such claimants who are already within the benefits system better future prospects of work, or better paid work, and help to reduce, or end, reliance upon universal credit support'.[17]

These narrow rules create a real barrier for young disabled students, who haven't previously claimed universal credit but nonetheless have significant disabilities, to get any financial support from universal credit. It is also very hard for students who become ill or disabled during their studies to get such support.

Case study

A higher education student aged 19 needs to move out of his parents' home due to overcrowding. He is disabled and gets ADP at the highest rate, but has never previously claimed benefits, so has not had a limited capability for work assessment. He cannot get universal credit, so will not get help with rent if he rents a room in a flat. He will struggle to pay for accommodation and living costs from his student loan, and cannot work and study at the same time due to his disability.

Affordable, available accommodation is another difficulty that is on the rise for students. The Robertson Trust could do further research into how it could help alleviate this problem. NUS Scotland are campaigning for improvements to student housing.[18]

8. Glossary of terms

Articulating students on formal 2+2 or 1+3 routes Refers to an academic journey where someone studies two years at college and then two years at university, or one year at college and then three years at university.

Care-experienced Someone who was subject to formal care interventions and was 'looked after' or is a 'care leaver'. For entitlement to the care-experienced bursary, it can also include students who were in an informal care arrangement which can be confirmed by their local authority.

Care leaver Someone who was 'looked after' by the local authority at their 16th birthday, or after that date and for a period before it, and is no longer looked after. It gives someone particular rights to local authority support at age 16 and 17, and generally excludes them from universal credit.

Limited capability for work A DWP assessment of whether a person's ability to work is limited by a health condition such that s/he is not expected to work.

Limited capability for work-related activity A DWP assessment of whether a person's health problems are so severe as to limit her/his ability to prepare for work.

Two-child limit A restriction on the number of child elements included in universal credit. There are exceptions - eg, if a child is adopted or for multiple births. It only restricts universal credit, not SCP or child benefit.

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[1] UC Regs regs 3(2)(b) & 14
[2] https://www.sfc.ac.uk/publications/national-policy-for-fe-student-support-bursaries-2024-25/

[3] https://www.saas.gov.uk/
[4] For a fuller summary see ch 14 CPAG's *Benefits for students in Scotland handbook* at https://askcpag.org.uk/publications/scotland

[5] UC Regs reg 71 explains how to calculate student income for an assessment period; Chapter H6 ADM provides guidance for DWP staff on Students and student income at https://assets.publishing.service.gov.uk/media/660e7bec9f92ac0011516c78/admh6.pdf
[6] UC Regs reg 68(5)
[7] The Social Security and Universal Credit (Migration of Tax Credit Claimants and Miscellaneous Amendments) Regulations 2024 at https://www.legislation.gov.uk/uksi/2024/341/note/made. The explanatory note says this is: "to enable a loan for specific purposes paid in Scotland to be disregarded as student income when calculating entitlement to benefits in the same way as a special support loan is disregarded in England."
[8] UC Regs reg 68(3)

[9] UC Regs reg 68(4) and reg 70. Reg 70 reads: "Where, in accordance with regulation 68(4), a person's student income is to be based on the amount of a grant, the amount to be taken into account is the whole of the grant excluding any payment —

(a)intended to meet tuition fees or examination fees;

(b)in respect of the person's disability;

(c)intended to meet additional expenditure connected with term time residential study away from the person's educational establishment;

(d)intended to meet the cost of the person maintaining a home at a place other than that at which they reside during their course, except where an award of universal credit includes an amount for the housing costs element in respect of those costs;

(e)intended for the maintenance of another person, but only if an award of universal credit does not include any amount in respect of that person;

(f)intended to meet the cost of books and equipment;

(g)intended to meet travel expenses incurred as a result of the person's attendance on the course; or

(h)intended to meet childcare costs."

[10] https://youthfuturesfoundation.org/news/how-could-the-benefits-system-help-more-young-people-do-an-apprenticeship/
[11] https://www.gov.uk/access-to-work
[12] https://www.bacp.co.uk/news/news-from-bacp/2024/14-march-university-mental-health-day-counselling-gives-students-the-space-to-reflect-and-grow/#:~:text=%E2%80%9CFor%20more%20than%20a%20decade,the%20trends%20from%20the%20Mindometer.
[13] https://www.gov.scot/publications/student-mental-health-action-plan/
[14] https://www.nus.org.uk/cost-of-living-survey-2024
[15] Spring Budget 2023 para 4.169 at https://www.gov.uk/government/publications/spring-budget-2023
[16] https://www.studentinformation.gov.scot/students/student-life/how-student-funding-may-affect-benefits
[17] The Universal Credit (Exceptions to the Requirement not to be receiving Education) (Amendment) Regulations 2021, No. 1224, explanatory memorandum para 7.1

[18] https://www.nus-scotland.org.uk/fix-student-housing