

Explanatory Memorandum to Tynwald Members

Issued by the Department of Education, Sport and Culture

To the Hon Laurence David Skelly MLC and the Hon Council and Keys in Tynwald assembled

1. Title of measure

Education (Student Awards) (No. 2) Regulations 2025 [SD No. 2025/0239]

2. Changes in policy

Maintenance support threshold: Families earning up to £90,000 could qualify for more help, with full grant limits rising from £21,547 to £30,388. However, the regulations propose the removal of the recognition of multiple children in the maintenance means test and therefore no longer make allowances for the number of students per household, treating each child individually.

Maintenance grants: Off-Island study support rises from £8,100 to £8,500, and London or international overseas study from £8,640 to £9,000.

Clearer rules: Outdated terms like “contributor” replaced with simpler language “financially relevant persons”. Previously, only the income of certain people who had lived with a dependent student in the past two years was considered. Now, the means test will include the combined income of no more than 2 “financially relevant persons” (parents or guardians), regardless of their recent residency with the student. For independent students, only their own and their partner’s income will be used in the assessment.

Expanded eligibility: Students under Appendix U (Ukraine scheme) of the Isle of Man immigration rules can now apply.

Disability support: Undergraduate Disability Allowance rises from a basic allowance of £1,642 to £2,600, non-medical helper allowance of £12,420 to £19,760 and specialist equipment allowance of £4,905 to £7,800 per year.

Distance learning: Distance and part-time learners get the same income limits as full-time students, with tuition fee grant limits rising from £46,500 to £112,000. Distance learners will now be eligible for the tuition fee grant and loan.

Charitable support recognised: The definition of “income” has been updated to exclude charitable student hardship sponsorship from being counted as income for means testing, aiming to prevent students—especially from lower middle-income families—from losing maintenance grants when they receive additional charitable support.

Income assessment: The proposed Regulations will standardise income assessment by using total taxable income for all awards, simplifying the process and removing the need for additional financial documents from those with company or self-employment income.

Tuition fee update: The grant towards fees drops slightly to £6,000 from £6,750, but students can borrow up to £3,535 to cover the rest. This change creates a large proportion of the savings required to make the other beneficial changes listed above.

3. Effects of the measure

These Regulations offer financial assistance to eligible students on a means tested basis to support them in accessing further and higher education.

For transitional arrangements, these Regulations shall apply in such a manner that no student who commenced their course prior to September 2026 and is continuing their studies will be disadvantaged. Where application of the new Regulations would result in a student receiving less financial support than they would have under the Education (Student Awards) Regulations 2019 [SD2019/0220], the provisions of the 2019 Regulations will continue to apply to ensure the most beneficial outcome for the individual.

4. Reasons for the measure

These Regulations reflect how people study today and the increased cost of living. The proposed changes aim to make the system simpler, fairer, and easier to access, especially for lower income families. The Department's intention is to make sure Island students can get the support they need to reach their goals—whether that's at university, college, or through flexible learning here or further afield. The policy proposals follow a review by DESC and recommendations from Tynwald's Public Accounts Committee (PAC).

5. Resource implications

The cost of the 2025 Regulations will be contained within the Department's existing budget. Staffing to operate the Regulations will be provided by the Department. Additional funding may be required to accommodate transitional arrangements.

6. Tynwald procedure

Approval under section 37 of the Education Act 2001.