

The University of Manchester

Nursery Subsidy

Assessment Guidelines

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1 Introduction

This guidance has been produced to aid administrators in assessing applications to the Nursery Subsidy and to promote consistency of assessments across the student body. Nevertheless, administrators will also be required to use their local and professional knowledge when determining the outcome of an application. Any award made remains at the administrator's full discretion.

2 Principals

- i. The nursery subsidy is intended to assist students whose monthly income does not sufficiently cover their essential living costs plus the cost of the nursery fees. The Subsidy should only pay the difference between the Public Rate and Staff/Student Rate. e.g. Public rate of £62.00 per day, Staff/Student Rate of £59.00 per day – difference is £3.00 per day = awarded £3.00 per day subsidy;
- ii. Applications can be rejected or reduced if there is evidence of money mismanagement or non-essential/lifestyle expenditure such as gym memberships, holidays, gambling, expensive single items; however students in this case will be referred to appropriate support services.
 - o Awards may be subsequently made where a student has sought appropriate financial advice, for example, via the University Student Money Advisor, and is able to demonstrate an improvement in the management of their finances.
- iii. Any student found to have provided false or misleading information will have their application immediately disqualified.

3 Eligibility

- i. Students must be registered on a full time or part time programme.
- ii. The child must have a confirmed place at Echoes Nursery/Dryden Street Nursery.
- iii. Students can only apply if their child is not eligible for a childcare grant from Student Finance/NHS Bursaries or if they are not eligible for the Early Education Funding Grant issued by Manchester City Council (<https://www.gov.uk/help-with-childcare-costs/free-childcare-and-education-for-2-to-4-year-olds>)
- iv. The student (and partner if applicable) does not have savings and is unable to meet the full fee required by the nursery due to a low household income.
- v. Students must be able to demonstrate that the nursery place is required. For example, both parents must be working/studying. If one parent is not working then they are available to look after the child, therefore the nursery place is not essential. If one parent is studying/working part time, we will only consider awarding a partial subsidy.
- vi. Students must not have outstanding debts to the University, e.g. for unpaid tuition fees or accommodation fees.

4 General Rules

- i. The initial application form should be submitted to the Funding Team in the Student Services Centre. The administrator will then do a calculation using the figures provided in the application, and based on the outcome will either reject the application, or request supporting evidence from the student.
- ii. Correct supporting evidence must be received a minimum of three months before the student's programme end date.
- iii. Applications will not be considered without the necessary supporting documentation.

- iv. Supporting documentation must be received within 14 days of the request date.
- v. Applications may be cancelled where supporting evidence is deemed to not adequately demonstrate individual circumstances.
- vi. If the first application is rejected, a student may reapply if they are able to demonstrate that their circumstances have changed significantly following a first application.

5 Assessments

The assessment calculates if there is a shortfall between total income and essential expenditure plus the nursery fees. Generally, an award will be considered where a shortfall is calculated.

$(\text{Monthly Assessed Income} - \text{Monthly Assessed Expenditure (living costs + nursery fees)}) < 0$

The assessment also involves looking at 3 months' bank statements of the student, and of the partner if their income is included in assessment, to check spending patterns and good budgeting. The administrator can use their discretion to reduce the award or reject an application where there is evidence of money mismanagement or non-essential/lifestyle expenditure.

If a student, or their partner if applicable, only studies/works part time, the nursery subsidy will be calculated based on the number of hours required to study/work per week. For example, if one parent studies full time and the other works 2 days per week, a successful application will be awarded 2/5 of the full time subsidy to cover the two days where the nursery place is essential.

6 Assessing Income

All annual income should be divided by 12 to calculate the monthly income.

The following table shows how income should be treated:

Income	Annual Figure
Sponsorship (if applicable)	Include in full
Childcare Grant and/or dependents allowance	Include in full
Grants	Include in full
Benefits	Include in full if means-tested e.g. tax/child credits or JSA. Child Benefit and Disability related benefits are not included.
Savings	Include in full
Part-time work	Include in full
Payments from family	Include in full
Child maintenance income	Include in full
Partner's income	Include net income in full

7 Assessing Expenditure

The following table shows the expenditure that should be included in the assessment. Figures will be capped to ensure they do not exceed reasonable/expected amounts and will be determined at the beginning of each academic year (Appendix 1).

Composite Living Costs	See section 7a for further guidance
Rent/mortgage	Include if required evidence is submitted
Travel Costs	Evidence not required
Course Costs	Evidence not required

Medical/Disability costs	Include if evidence of costs is provided
Council Tax	Included if part-time or if partner is required to pay and their income is taken into account in the assessment
Priority Debt Repayments	Include if evidence of payment plan – see section 7b for further guidance
Mobile phone costs	Evidence not required
Child maintenance payments	Include in full
Partner's essential expenditure	Include if partner's income is included in the assessment

a. Composite Living Costs

This is calculated using the University published figures for estimated weekly living costs for the academic year for basic living expenses (<http://www.manchester.ac.uk/study/experience/student-life/living-costs/>). It includes food costs, clothing costs and general living costs. The same figure is used in all applications. The Composite Living Cost included for students cohabiting with a partner will be at 1.7 times the single rate. An additional amount is also included for costs associated with child dependents.

b. Priority Debts

A priority debt is classified as 'those that can threaten serious legal action if left unpaid... Court action is likely, and you will often risk losing your collateral' (<http://www.debtfreedirect.co.uk/debt-advice-help/non-priority/difference-between-priority-and-non-priority-debts/>). This includes rent arrears, mortgage arrears, council tax arrears, Tax and VAT arrears, essential Hire Purchase goods and gas/electricity arrears. Other types of debt may be included if they are essential to individual circumstances, for example, debts to a childcare provider.

Priority debts can be included as essential expenditure if a reasonable payment plan has been set up to repay the debt. If the assessment shows that the repayment plan is unreasonable, i.e. it is greatly affecting their ability to cover essential costs, the student will be encouraged to seek professional debt advice.

Priority debts may not be included if they are the result of money mismanagement prior to or following the commencement of their degree programme.

Non priority debts will not be included in the assessment. This includes non-secured loans, overdrafts and credit card payments. Students will be referred to the appropriate support services for debt management when it is apparent they are unable to cover essential living expenditure due to re-paying non priority debts.

Non-essential expenditure

Non-essential/lifestyle expenditure is classified as any expenditure which is not strictly necessary for day-to-day living (examples of essential expenditure include rent, groceries, utilities, medication etc.). Based on University estimates, if a student's non-essential expenditure is in excess of £100 weekly it would be used as evidence of poor budgeting and may impact the final award amount.

Examples of non-essential expenditure – but not limited to – include:

- Holidays
- Takeaways/fast food e.g., Deliveroo, Just Eat, McDonalds
- Nightlife/pubs
- Event tickets
- Gambling
- Gaming

- Uber/Taxis where there are cheaper alternatives available, and it is not a necessity for travel
- Beauty treatments e.g., nail/eyelash extensions

An allowance will be made for various expenses where it will only be deemed non-essential if students appear to be overspending on items. Examples of this – but not limited to – include:

- Technology e.g., using a laptop is essential for University work, however students are expected to seek cheaper options within their budget. Any excessive amounts will be classed as non-essential.
- TV & Music subscriptions – the vast majority of students will hold at least two subscriptions (e.g., Netflix & Spotify). This will only be classed as non-essential if students hold several premium subscriptions they cannot readily afford.
- Clothing – will be deemed non-essential if individual items purchased appear excessive and not within a student's immediate budget.
- Gym memberships – this will only be deemed non-essential when there is an excessive amount being spent given the cheaper options available using student discounts.

If a student is able to provide sufficient explanation/evidence justifying that an item of non-essential expenditure is necessary, then it will not be included in the assessment.

8 Outcome of Applications

- The outcome of applications will be decided within 14 days from the date the student submits all of their supporting documentation.
- Students will be informed via email of the outcome of their application. If successful, the administrator should also email the nursery to confirm the student is eligible for the subsidy, stating the amount of the weekly subsidy and month it should be charged from (i.e. from when the student started their course or from the month the subsidy is awarded. If a student reapplies after a change of circumstances and the application is successful, the subsidy should only be applied from the month of the reapplication – it should not be backdated). Administrator should also email Ian Bradley, Head of operations, Division of Student Life to advise of new subsidies awarded.
- Subsidies are paid from the University to the nursery directly. Students are required to pay the reduced nursery fees to the nursery themselves.

9 Students With Partners

A partner's income should be included in an assessment when:

- They are married.
- They are co-habiting and have responsibility for child dependents.
- Their partner's income has been taken into account when assessing Student Finance/sponsorship entitlement.
- Their partner's income has been taken into account when assessing eligibility for state support.

Where a student has indicated they are living with a partner and states that their partner does not contribute to their own living costs, administrators can use their discretion to assess such applications as a single student, based on the available evidence.

10 Evidence

All students are required to provide the following evidence to enable a full assessment. Applications can be rejected if the required evidence is not made available:

- The previous 3 months of bank statements for all accounts that they/their partner hold (including savings accounts and credit cards).
 - The last transaction date for each account must be within 14 days of the submission date.
 - Any transactions over £50 must be annotated.
- Evidence of rent/mortgage costs (if applicable and even if student is not paying them).
- Student Finance/NHS Bursary entitlement or proof of sponsorship.
- Child Tax Credits.
 - Student must provide evidence of ineligibility if they are not receiving this, for example, that they have received a previous overpayment.
- State Support (if student is eligible).
 - Student must provide evidence of ineligibility if they are not receiving State Support and would ordinarily be eligible, for example, they have received a previous overpayment.
- Child/adult dependents.
- Evidence of wages (if the student or their partner is working).
- Partner's income (if applicable).

The following evidence must be provided if the specified expenditure is to be included in the assessment

- Evidence of medical costs.
- Council Tax payments.
- Priority Debt repayment plan.
- Partner's income.