

Manchester Live: Student finance 2021 entry 30 June 2020

0:00

Good afternoon everyone. Welcome to the Student Finance 2021 webinar. My name is Laura. I work at the University of Manchester and I work in student recruitment and widening participation.

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So what that means is that usually I'd be out and about in schools and colleges, and speaking to prospective students and parents and teachers. But obviously at the moment, we're delivering everything online, including this webinar series. OK, before I continue, I just want to check that everybody can hear me OK. So you should see a hand signal on your screen - if you could press that if the sound quality is OK, and you can hear me.

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Fantastic, I'm getting some through there.

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And do feel free, as well, to make use of the chat function. So we've got some colleagues, Huw, Maddy, and Laura, who are prepped to answer any questions you may have around student finance, or perhaps anything else to do with the University of Manchester, or university in general.

1:07

What I do want to say at this stage, though, is that this talk is based on student finance for English domiciled students, in the main. So this is information from Student Finance England. I'm from the University of Manchester. The colleagues that are going to be answering questions aren't financial advisors, so they can't answer very specific questions based on uncertain circumstances. We do advise that you speak directly to student finance England about that, if you have particular questions. But they can certainly direct you to where information is, and give you some ideas of websites to visit, and answer any sort of more general finance questions that you may have.

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OK, so what are we going to look at today? What will we cover in this webinar? We're going to be taking a look at what we know at this stage about student finance for 2021 entry. We will look at tuition fees and how loans work as well on the loan repayments. We'll look at additional financial support that you could have access to, give you an overview of support from the University of Manchester, and then talk you through the application process as well.

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So, first thing's first. We want to give you an overview as much as possible, about where things are at the moment for 2021 entry. So, at this stage, the Government haven't confirmed details for 2021, and we often find that this confirmation doesn't come until a bit further along into the cycle. We do, however, expect the principles of the student finance system to remain the same.

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So, for example, no upfront fees, and any figures quoted, will relate in the main to 2020 entry, unless otherwise specified. So, the reason we want to still deliver this talk, we think it's important to make sure you have the opportunity to have access to this information as you're considering your options for 2021 entry. And at least if you've got an idea of how the system works and the principles of the system, you can then use that to make your decisions and feel

more informed when you come to look into university, and start to understand some of the terminology around student finance.

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So first thing's first, one of the main costs associated with university is tuition fees. So, as I said earlier, the tuition fees for 2021 entry haven't been confirmed yet by the UK government. However, based on 2020, full-time tuition fee for UK undergraduate students is £9250 a year. There's no upfront fees for UK students, and we expect the principles of this system to be the same for 2021.

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There is a tuition fee loan for every UK student who applies to university and this tuition fee loan isn't means tested. So Student Finance England pay the tuition fee loan directly to the University, that's a transaction that takes place over your head.

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So you don't have to find the money upfront for tuition. You will be entitled to a Government Tuition Fee Loan. And then repayment of this loan starts once you've finished University, and you're earning over a certain amount, and that figure is £25,725.

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So, the second kind of main cost associated with going to university is a cost around living costs. So, maintenance is another word for that.

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And there are maximum government maintenance loans available to UK students, so unlike the tuition fee and the tuition fee loan. And the maintenance loan is very much based on household income. So it does vary.

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So, you can see - and I'll show a table a bit later on that explains this slightly more clearly - but the maximum loan for any student who lives away from home and studies at a university outside London is £9203.

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A student who studies at a university within London has a maximum loan available of £12,010, and then a student that lives at home, it's £7747.

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But, looking at this more generally, there is a basic maintenance loan, for any student, of £4299, who lives away from home, studies outside or in London, and are doing their first undergraduate degree.

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So, whilst there is a sliding scale for the living cost support, the maintenance loan, there is a basic level that everybody is entitled to, which is £4299 a year.

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So just a reminder, again, these are based on 2020 figures, just because we don't have confirmation for 2021. What usually happens, though, is that these increase in line with inflation, so we would always expect them to increase.

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So a quick word on household income, because this is a question we get asked a lot. In terms of what they make an assessment of, in terms of household income, this does depend whether

or not you're classed as a dependent or an independent student. As a dependent student, the combined salary of both your parents will be considered.

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If your parents are separated or divorced, the income of the parent you're financially dependent on will be considered, and the income of any relevant partner of this parent, because that's classed as a household. So a mum, for example, and their partner, and that would be the household income that the assessment is based on.

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However, the income of your other parent who you don't live with will be ignored.

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So I'm quite keen to stress this point, as it's a question we often get asked, when they're looking at household income, what do they take into consideration?

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So for an independent student, this will apply if you're over 25 before the start of the academic year, or married, or in a civil partnership. If you have care of a child, have no living parents or are estranged from your parents, are a care leaver, or you've supported yourself financially for three years before starting the course - that means it will be your income that will be taken into consideration.

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And that is the household. I wanted to mention at this stage, some interest-free options that are available. So for a number of years now, the government have been looking to introduce an interest free-option for personal or religious reasons. So as soon as there's any information about this, we'll make sure our website is updated. But just to clarify, the University of Manchester Scholarships and bursaries are all non-repayable, and the government loan isn't compulsory either, in order to receive University support. So something to bear in mind if you weighing up your choices at the moment.

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OK, so what other support is available for particular courses?

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So there is NHS financial support. First to fourth year medicine and dentistry students apply to Student Finance England as normal. However, in your fifth and sixth year of medicine or dentistry, you're currently eligible to apply for NHS funding. This funding includes tuition fees paid by the NHS. You are eligible to apply for reduced government maintenance loan, and you're eligible for a non-means tested, NHS maintenance grants and also to be able to apply for an NHS means-tested maintenance bursary.

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Just a note that you are not eligible to receive the University bursary - so that's the Manchester bursary, which I'll come on to talk about a little bit later - for any academic year when you're eligible for this NHS funding.

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Along similar lines, there is additional support for courses that we offer here at Manchester, including nursing, midwifery, and many allied health professional courses. So, one that we offer at Manchester is speech and language therapy.

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So, students will be eligible for non-repayable support of between £5000 and £8000 from this coming September. And, again, similar to the support for fifth and sixth year medics and

dentists, students eligible for this support are not eligible for the University of Manchester non-repayable support, which I'll come on to talk about.

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And then there is additional financial support available as well, for students who perhaps have certain living arrangements, or who have particular circumstances.

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So, there's a disabled students allowance that provides support for anyone with a mental health condition, a long-term health condition, a physical disability, or a specific learning difficulty, for example, dyslexia or dyspraxia. We do advise with the disabled students allowance that you get in touch with the university that you're planning on attending or your university choices, just to make yourself known to that university, so support can be put into place. And we also recommend that you tick the box on the UCAS form. This in no way has any kind of negative implication on your application. It's very much just to make the University aware that you will require additional support and we can ensure we can get that in place for you ready for the September when you start university.

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There's also a parent's learning allowance, a childcare grant, on an adult dependents grant. So if any of these situations apply to you, you can visit the GOV.UK website, and I've got some further resources to share with you at the end of this webinar where you can go for more information.

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OK, we'll move on now to the University of Manchester financial supports for 2021. So these bursaries and scholarships have now been confirmed for next September entry.

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We believe, as an institution, that it's crucial to admit the most talented students, regardless of background or ability to pay. So, the university is committed to providing support to students from lower income households. And I'll give you an overview of what our bursary and scholarship package actually entails.

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So, bursaries are means-tested, and this is based on household income. So through the financial assessment that will be carried out when you apply for student finance. And we'll be looking at the Manchester bursary, the Foundation Year bursary, a year abroad and year in industry bursary, and the undergraduate access scholarship.

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So in order to have this award, in order to have this in your account when you start University in the relevant September, you need to ensure you've provided your bank details to the University by the May. The 31st of May of that year, when you're going to be applying. Or you won't receive the bursary for the academic year.

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So the Manchester bursary. This is available to all UK students registered on an undergraduate degree program, but this does exclude, as I mentioned earlier, NHS funded programs for those years where you will be entitled to NHS support.

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You can see that that if you have a household income of between £0 to 25,000, you're entitled to a £2000 cash bursary. And the next income bracket is £25,000 to £35, when you're entitled to £1000 and again, this is non-repayable support and this is paid in three instalments during

the academic year to kind of mirror the instalments that you get from the government as well, and usually at the beginning of each term.

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Similarly, with the foundation year bursary, you can see there that the household income brackets remain the same. Foundation years are essentially a year zero program. It's kind of a pre-university year to bring you up to speed and these are in subject areas such as Medicine, Dentistry, Pharmacy, Biosciences, and Science and Engineering. And again, this is non-repayable support, a full thousand pounds for the lower income brackets and £2000 for the income bracket of £25 to £35,000, again paid in three instalments.

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Then, for any students who are taking a year abroad, or have a year in industry, there will be reduced fees for this additional year. And because that's further ahead, at this moment, further information regarding this level of tuition fee will be made available near the time. As at the moment, it's very much done on a year by year basis. And we're still waiting for information on 2021 entry. So, you can see here, it depends on the study program that you choose, whether or not you go on an Erasmus year.

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And you may study abroad, improve your language skills. You might have a work placement and that might be related to language learning, or it could be related to industry. Or you may study abroad not just in Europe but also worldwide, you might go further afield for your year abroad. And you can see there, depending on your household's income, will again depend on the cash bursary that you're entitled to.

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And this ensures that students aren't at a financial disadvantage by taking this year abroad, and that there is some cash available, some financial support to help facilitate your learning and living during this year.

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Then, finally, the Undergraduate Access Scholarship is for students who have successfully completed the Manchester Access Program. And they've started a course at the University. And if these students are from households where the income is below £25,000 a year, they will get £1000 as a cash bursary - a non-repayable cash bursary for each year of study.

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This also applies to anybody who's under the age of 25, and has been in public care for a minimum of three months.

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And then, £1000 non-repayable support will be awarded, in the first year only, to students who successfully complete the Manchester Access Program,

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Start here at Manchester, but from a household where the income is above £25,000.

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It's now also worth doing some research and looking into your university choices and what scholarships and bursaries are available. So there are a wide range out there, it is a case of doing some research and having a look on webpages and getting in touch with universities. So there are some subject specific scholarships and bursaries, sometimes sponsored by a particular company. There are sport scholarships as well, to ensure that

anyone who's representing their country or their county can study at University and ensure they're successful throughout their academic life, but also continue their training and ensure they've got the relevant equipment.

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There's music scholarships as well. There are scholarships for sanctuary seekers and asylum seekers. So here at Manchester, we have the article 26 scholarship.

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And this scholarship ensures that you have a cash bursary, you get tuition fees paid for, and you get a place in one of our halls of residence. And then there's care leaver support as well from your local authority and also from university. So, the example I showed earlier was the Undergraduate Access Scholarship for care leavers.

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So please do your research and find out what you would be eligible for. And do in general when it comes to applying for student finance, we will take the information that's on the application form, and we might get in touch with you to speak about what scholarships and bursaries you'd be eligible for. And colleagues in the Student Support Center that make these inquiries have said in the past that

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There's often a pot of money available where students haven't responded to an e-mail or haven't picked up the phone, and they've not had access to that money because they've not responded to an inquiry from the university. So make sure that's not you.

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And make sure you're fully aware of what support you could be entitled to and you're responding to e-mails and phone calls in a timely manner. So you can have the support in place for the September when you start university.

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So now I've given you an overview of the non-repayable support available. I wanted to kind of consolidate all the information we've talked about so far into a table. As I think it makes a bit more sense to see it this way. So you can start to understand how it might look for you in terms of the support available. So again, just a reminder that this is based on 2020, we don't have the information yet for 2021. What I can confirm is the University of Manchester non-repayable support column - that third column - that is correct. And that information has been confirmed for 2021. But as you know, we are waiting for the information from the government. So it's likely that for 2021, these figures will be slightly higher to reflect any additional changes.

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So the household income is on the left-hand side, and as you can see, as the income increases, the amount of government maintenance loan that you're entitled to decreases.

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And University of Manchester Support decreases up until a point. As I showed you earlier, those household income brackets.

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And then that final total shows you the total support based on this example, which is government maintenance loan and University of Manchester Support.

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This is for a student living away from home and studying outside London.

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So bear in mind, as well, this excludes the tuition fee, which certainly - in the case for the University of Manchester - is £9250, reflecting the full amount of loan. So this is more around maintenance and living costs.

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So, what are those living costs? And what do they entail? What costs maybe have you never had to think about before?

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And, so, which ones are new?

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You can see here, we've put together an estimate for living costs. It is really important to clarify at this stage that it's so hard for us to tell you exactly how much you'd be spending in a typical year at University, because we don't know your spending habits. We don't know what your priorities are, and your circumstances in terms of, for example, where you'd be traveling from, which would have a big impact on the transport section there. However, we've tried to give you a rough idea. And, obviously, when we can be a bit more specific, in terms of the price of accommodation, have given you an average.

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So, these are based on 2019 figures. For catered accommodation - that's the example we give, is for self-catered. But catered, we suggest you add approximately £900 to the annual total, but bear in mind the meals total will most likely be less, because you'd have your food included.

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And then the University of Manchester self-catered accommodation ranges in price from £3915 a year to £6099 a year. So we've given an average there.

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So you can see that we've covered some of the costs you may have during your years at university. Transport could be dramatically different, depending on your circumstances.

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And the other costs, as well. Obviously, that's really dependent on spending habits as well.

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But hopefully this gives you an idea of an estimate of living costs in Manchester.

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OK, we're going to look at repayment now and how that process works.

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So think of it like a graduate tax: so a sum of money that's taken from your monthly wage, and this sum of money is based on earnings. So, some of you might be familiar with Martin Lewis, the Money Saving expert, and he's trying to change the language used when talking about the student finance system, and looking at it more like a contribution rather than using words like loans, for example.

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So, it's an increased tax rate of 9% of everything earned over certain amounts, and that amount is £25,725. Unlike a bank loan, though, it's linked to what you earn and not what you owe.

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So, you're not going to stop paying back anything until you earn over a certain amount, and the tuition fee and living costs are sort of considered together in this stage when it comes to repayment.

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So, the threshold is £25,725 a year, £2143 a month, or £494 a week.

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So, you pay about 9% of what you earn above that threshold.

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And you're eligible to start the repayment process the April after you leave, or the April after you graduate. But, that's only if you're earning over £25,725. And then any outstanding debt is written off after 30 years.

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So, again, I think a table is really useful. When looking at student finance, it does make things a bit clearer. You can see the income on the left-hand side, before tax, and then your monthly salary in the middle, and then approximate monthly repayments. So, what actually will be coming out of your pay pocket each month.

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You can see there that repayment figure increases as people earn more and as they make their way up the career ladder.

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So, hopefully, that makes it clear in terms of the contribution that comes out of your account each month.

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This is another useful graph, because this shows, in the dark purple, your take home pay - so what you actually have in your back pocket after any contributions. So, those contributions could be tax and national insurance, for example, and then once you're earning over a certain amount, your student loan repayment, similar to tax and National insurance, will come out of your pay packet before you get your take home pay.

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And those contributions increase as a person's salary increases, so it's constantly linked to your earnings, which is a very different type of loan to the traditional loan.

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So a couple of other points on repayment: there's no penalty for early repayment of student loans. It may make more financial sense to pay back in instalments as, depending what you earn,

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You may never pay back the full amount. And they've done some research into this, and it's looking likely that a large percentage of students won't be paying back the full amount.

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And then a student loan is very unlikely to affect an individual's ability to get a mortgage. Mortgage lenders usually take into account a person's monthly net income before any deductions.

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And it's certainly very common for people to be visiting mortgage advisors, looking into this process with a student loan, and that doesn't really affect that person's ability to get a mortgage.

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In terms of interest, there is a variable rate of interest. So, depending on your circumstances, and you can see there on the left hand side, this could be whilst you're studying and until you enter the repayment process. And then there's a variable rate depending on your income. So, if you have an income of below the threshold, or an income of between the threshold and £46,305, or an income of above £46,305, you can see there that the interest rate is variable. It's often linked with the retail price index, but it is a variable interest rate.

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Right. Finally, we're going to look at the application process and how you go about applying, the things you need to have to hand, and some top tips.

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So our first piece of advice is to apply early, and this is advice that we are asked to pass on to you from Student Finance England. There is no need for you to have a confirmed place on a course. You can just put your first choice down to begin with. And you can go back into the system and update, as and when you get further information of your university destination. The deadline to have funding in place is usually the end of May, so that's the May of the year that you will be applying for university.

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So, for example, for next September, September 2021, the deadline to apply to have funding in place is the end of May 2021. Applications usually open in the February of that year. So again, for September 2021 starters, it will be February 2021. And, again, we will update our presentations and information as soon as we have this

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Detail from Student Finance England. We do encourage parents to give consent to share financial information with the university, as this speeds up the allocation of scholarships and bursaries. You don't have to apply separately, and it means that we can ensure that the right people are getting the right support.

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And then, each year, and I know this seems like a lot further ahead, but each year you'll receive a reminder from Student Finance England to re-apply for support for the following academic year. And that's because the support that you're entitled to is based on the previous tax year. So, we do need updated information from your household in order to ensure that support is accurate.

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So, before starting an application, you should have the following to hand, and it's worth sort of thinking about this closer to the time when you come and apply: a passport, so that Student Finance England can check your identity.

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Your expected University and course details, and bank account details and national insurance.

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You don't have to submit financial information. You're not obliged to, but you can't be considered for bursaries and will only receive the minimum level of maintenance loan if you don't submit an application.

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So the GOV.UK website is where you would go and apply.

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It's also where you can find out further information about your eligibility and other answers to questions you have about Student Finance.

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We also have some further information on our website in addition to signposting to external websites as well.

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So, Manchester.ac.uk has a dedicated student finance section for both 2020 and 2021 entry. There's a UK page, an EU page, and an international students page.

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The GOV.UK website is the screenshot I've just showed you, and also has useful information about some of the additional support I talked about earlier in the presentation, such as the parent learning allowance on the adult dependent grant.

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The money saving expert website is really useful for students, because it's got a designated higher education section.

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And as I said, Martin Lewis has been a real ally of this system, and has been really informative when explaining any changes to both students, parents, and teachers, but also to colleagues like myself who work in this field, and who put together presentations to prospective students. And then the student room is a really informal way of getting information about university more broadly. But often, Student Finance England actually host live webinars and chat rooms.

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So, a really informal way of getting information about student finance through the student room. Usefully as well

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They're on Twitter and Facebook, and they'll often broadcast the date that applications will open, for example, or reminders to apply for following years. So it's a really good idea to add those to your social media feeds, so that you can get this information in a more informal way.

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OK, I'm going to be bringing the webinar to a close in a minute.

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But I wanted to highlight some of the other webinar topics that we've got coming up.

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And where you can go to find this information.

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So we have webinars on a series of different subjects from student life, and living in Manchester, and studying in Manchester, to accommodation, to applying for universities, choosing a course, and choosing a university. And we will be running them over the summer, as well, and we'll be releasing our summer schedule in the next few weeks. For now, though, if you'd like to see what we've got coming up, please do visit mancheste.ac.uk/manchesterlive, and also look at previous webinars.

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If you've missed them, and want to catch up, you can watch them in your own time, and you'll see the list of them on those pages and which audiences they're suitable for, as well.

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So, thank you very much for your time. I hope you've been able to ask any questions that you've had. Please do visit our website for further information. You'll find corresponding leaflets, as well, for some of our webinars, which you can kind of look at whilst you're listening to a webinar.

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All the best, and I hope this has been useful to find out more about student finance.