

STUDENT PRESENTATION – SCRIPT FOR 2017-18 STARTERS

INTRO

Hello and thank you all for coming, my name is Ed Stallwood and I am here on behalf of the Department for Education to talk to you about Higher Education Student Finance in England. I am here to help you understand what funding is available to help you with the costs of studying a higher education course whether it is at a university or a college. There are two key changes for students going to university from August 2017 - new students wanting to study degree courses in nursing, midwifery or an Allied Health Profession will apply for the same tuition fee loans and living costs support as students starting other undergraduate degree courses; and - Universities who achieve a Teaching Excellence award will be able to increase their fees by the rate of inflation but I will go into more detail on this later on. I have handouts for everyone which details the key facts and figures so that you don't have to worry about remembering everything I am going to cover in this presentation. I also have handouts for anybody who is interested in knowing about what is available for students wanting to study a part-time higher education course. I will be available at the end of the presentation for any questions you wish to ask on a one- to-one basis.

OVERVIEW

So, like I said, the main reason I am here today is to explain the Student Finance package and give you the facts about the cost of going to university or college. I will tell you about the government loans that are available to help you cover the costs of your course fees, as well as your general living costs. And I will explain how you can expect to repay your loan. Before I do that, I will briefly share with you my own experience of university and then once I have explained everything I will let you know where you can go for further information.

MY STORY

I was the 3rd in my family to go to University, my brother and sister before me. University was optional to me as my parents supported me in whatever choice I made. The majority of my friends had already decided to go to University and I had also decided that it was an experience I couldn't miss out on. I attended 4 different open days: Loughborough, Nottingham, Canterbury Christchurch and Sheffield. Loughborough stood out for me for many reasons, Student life, course ratings, sports teams and facilities made me decide that it would be my first choice University. I was lucky that my brother and sister helped me out with many aspects of the application process, the only worry for me, was getting the amount of UCAS points for my chosen course.

LIFE SKILLS

University taught me a lot of life lessons, which have helped me since graduating. I believe the most important is how to live independently. You will quickly learn many skills during University living. Skills which you may have not learned before – cooking and ironing being a couple of the obvious ones! Skills such as independent learning, effective studying and money management will be learned with experience.

I lived in a University hall in my first year, and quickly I learned that the more I got involved with opportunities within the hall, and the University as a whole, the more I got out of the whole experience. I immediately got involved with Inter-Halls competitions such as Rugby, Beach volleyball and weekly quiz nights and socials. I joined the Rugby League team representing Loughborough. I also ran a Friday night 'Pre-Drinks' radio show with the guys in my flat.

I learned that having a good work/social life balance helped me throughout University to enjoy the experience as best I can. Which I can say is true now when in full time employment. Networking with lots of different groups opened up opportunities within University, which I would not have been able to experience unless I put myself out there to meet new people. The same can be said with finding jobs out of University, sometimes an opportunity will arise from someone you have met within University.

Lastly, University has taught me how to Study efficiently and has strengthened my work ethic. My course expanded my knowledge not only on the course content, but how to write essays, how to learn independently and taught me how to manage my workload. These skills will help you out in most, if not all types of employment.

THE FACTS

Now money is a huge consideration and it's important to understand the costs involved: tuition fees, rent and money to help you live are all very important. I'm here to give you the facts so that you can make an informed decision about whether or not higher education is for you. It's important that you don't see money as a barrier to going to university or college if that is what you want to do, so make sure you listen carefully to the next part of my presentation which covers those all-important facts and figures...

Tuition Fee Loan

This loan covers the cost of your higher education course fees. The most important piece of information to remember about the tuition fee loan is that if you're eligible you won't have to pay upfront for your tuition. The cost is covered by a government loan. So, how much will a course cost? Well, Universities and colleges that have achieved a Teaching Excellence rating of 'meets expectations' will be able to charge up to a maximum of £9,250 a year for full time courses and up to £6,935 a year for part time courses. If you choose to go to a

publicly funded university you will be able to apply for a loan to meet the full cost of your tuition. But not all courses cost that amount so it's important that you do your research and check out what the cost of the course you want to study will be. And there are a range of study options including higher education courses at colleges and distance learning. There are also a small number of private universities who have courses that have been approved by the Government. If you choose to go to one of these (and the list is on the internet) you will be able to apply for up to £6,125 towards the cost of tuition for a full time course if the university has achieved a teaching excellence award or up to £4625 for a part-time course. However, this could mean that you might not be able to borrow the full cost of the course fees..... So you will need to do your homework! Whatever the cost is, it shouldn't be seen as a barrier to studying a higher education course – regardless of your family circumstances or income. So how does it work in reality? Once you have decided that you want to study a higher education course, you can apply for a tuition fee loan of up to £9,250 per year to cover the full cost of your course. You make the application through Student Finance England and the money is paid directly to your bank so you don't need to worry about making any payments yourself! There's nothing stopping you from paying your fees upfront, but in reality, you probably won't want to do that. And, the repayment system is designed to be fair - repayments are based on what you go on to earn after Uni, not what you borrowed. If you don't go on to earn a high salary, you may not have to pay the loan off in full. But more on that after I've told you about the Maintenance Loan.

Maintenance Loan

Now rent, books, food and of course socialising are all a big part of uni life - and they all cost money. The Maintenance Loan is designed to help towards your living costs. Most full time students can get this loan from the government and once you have applied for it, it is paid into your bank account in three instalments at the start of each term and it's up to you to spend this money wisely and not blow it all on going out! Note: Maintenance loans are not available to those who want to study part-time. The amount of Maintenance Loan you can borrow depends on your circumstances, including your household income and where you live and study. So, for eligible students wanting to study from August 2017 onwards, the living costs loan available will be Up to £7,097 for students living at home Up to £8,430 for students living away from home and studying outside London Up to £11,002 for students living away from home and studying in London – as it's more expensive to study and live in London because of the higher cost of living. Note: The maximum loan for living costs for students living overseas as part of their studies will be £9,654. Now loans, might not be the only source of money available – and I'll come on to that in a sec, but let me tell you about repayment first.

Repaying your loan

The repayment system is designed to be simple and manageable. Both the Tuition fee loan and maintenance loan are combined for repayment purposes. You will only pay back your loan once you have finished your course and are earning over £21,000 per year.

And then, your monthly repayment will be based on how much you are earning, not how much you have borrowed. So if your first job pays 10 thousand, or 15 or 20 thousand pounds per year, you will not start to repay your loan. It is only when you are earning over 21 thousand pounds per year that you start to pay anything back. Repayments are normally deducted automatically from your salary through the tax system. Things are slightly different if you are self-employed or if you leave the UK. And, the amount you repay is 9% of anything you earn above £21,000 per year. So let's say your salary is £25,000 a year: you'll pay 9% of £4,000. In case you're wondering, that works out at just under 7 pounds a week – or just under 30 pounds a month. I don't know about you but my phone contract costs about that which might help to put things into a context and point out that the monthly repayments are entirely affordable. If at any time your salary falls below 21 thousand pounds – or if you stop working completely, for example, if you take a career break, then you stop repaying your loan, until you are earning that amount again. And unlike any other loan, after 30 years if you have not paid your full loan back, any outstanding balance will be written off – provided you haven't defaulted on your repayments. Additionally, you can choose to pay back all or some of your loan at any time. There is no charge for early repayment. Obviously, university is not for everyone and some of you may decide at some point during your course that you have made the wrong decision and want to leave university. The repayments on the money you have borrowed will only start once you have a job and are earning over £21,000.

A few other common things that crop up with regards to repayments are: If you move abroad or lose touch with the Student Loans Company you will still have to repay your student loan. If you do not keep SLC notified of where you are you will be charged interest at the rate of RPI + 3%. This rate will be charged until you get in touch with SLC and provide the relevant details. A student loan is the sole responsibility of the student who takes it out and liability for the loan can't be transferred to your parents or anyone else. Student loans data is not shared with credit reference agencies and won't prevent you from applying for a mortgage or other loan. The amount loaned is a decision for the lender and will depend on net income. In the September/October after you have finished your course you will receive a letter from student finance England detailing your loan balance. This will include the interest you have accrued on your loan, which I will explain to you now.

Interest Rates

I'm going to keep this as simple as possible. But if you want more detail come and see me afterwards. You will have to pay interest on the money you borrow. Interest on your student loan will be applied at the rate of inflation (RPI) plus 3%. This is whilst you are

studying and up until the April after you have left. From the April after you have left your course, the rate of interest will vary according to the amount you earn.

The rate of inflation used is the Retail Prices Index (RPI).

From the April after you have left university, the rate of interest will vary according to the amount you earn. If you earn below £21,000 the interest will only accrue at the rate of inflation (RPI). If you earn between £21,000 and £41,000 the interest will be the rate of inflation and up to +3% on a sliding scale

Okay so now we've covered loans and repayments I'm going to tell you about what else might be available.

Bursaries, Scholarships and Other Support

In addition to what I have already talked about there may be other financial support available – both from the Government and the University or College. For example, if you have a recognised disability, you may be entitled to Disabled Students Allowance.... and there is a Dependants Grant if you have a child or an adult who is financially dependent on you. Also, students studying nursing, midwifery and allied health courses may be eligible for supplementary funding from the Government to cover costs for placement travel, dual accommodation, and childcare allowances. Additionally, most universities and colleges offer their own bursaries and scholarships to students. You may qualify for something if you meet the criteria set by the university or 2016 college, for example if you are from a low income or middle income household, or if have achieve well in a particular subject. They can be paid in the form of a reduced level of fees or subsidised accommodation and sometimes cash..... and they don't have to be paid back. Again, each university decides what support they'll offer so you will need to do your research. Speak directly to the university to find out if there is anything available as sometimes the bursaries are not widely advertised. If in doubt – ask them! If you can take anything away from today it's to look at all the funding options that are out there so that you know what you might be entitled to. It may be more than you think.

Part Time Study in 2017/18 (in case students want to know more). The leaflet offers more detail If you are thinking about studying part-time you could now be eligible for a tuition fee loan. If eligible, part-time students can borrow up to £6,935 per year for publicly funded providers who have achieved a Teaching Excellence rating of 'meets expectations' to cover the cost of their tuition fees. In order to qualify, your course must be at least 25% intensity of the full-time equivalent course each year and for the duration of your course. New part-time

students can't get help with the costs of travel or books (ie the Maintenance Loan), but the advantage of part-time study is that you will have the flexibility to work alongside their study. If you are earning over £21,000, part-time students will become liable to repay their loans from the April after four years of study, even if you are continuing to study.

Reassurance

Hopefully you now have a better understanding of what's available to you and I hope I have reassured you that going on to study a higher education course at university or college is an affordable option if it is something you want to do.

Where to go for further information

One of the most important things I want to say is do your research! Every course and every institution is different and this is a big life changing decision. If you want to find out more, there are a few websites I can recommend. The GOV.UK website should be your first port of call. It provides links to the key information I have covered today, information about NHS bursaries and part-time study. You will also find a calculator which will provide you with an indication of how much money you may be entitled to, according to your household income.

To find out more about what courses universities have to offer, visit the new Unistats website. It contains information that students have said is useful when choosing a course. On this website you can compare information on student satisfaction rates, graduate salaries and job outcomes, tuition fees, accommodation costs and lots more. Visit <http://unistats.direct.gov.uk/>

The student room holds a host of student finance information, tips about going to university and how to apply. <http://www.thestudentroom.co.uk/content.php?r=5659-Student-Finance>

The National Careers Service website has a huge range of information to help you decide if University is for you. And loads of information if you decide it's not. <https://nationalcareersservice.direct.gov.uk/youngpeople/Pages/GoingToUniversity/ChoosingUni.aspx>

Once you have decided

If you make the decision to go to university or college, you will need to begin your loan application as early as possible. The easiest way to apply is online. The Student Finance England website gives all the information you will need to set up a student finance account so that you can complete the online application form and my advice (even if you are only

thinking about university) is to apply for your loan early, you can always cancel your application at a later date if you decide not to go.

Closing (inspirational)

Ultimately it is your decision. Only you can decide if University or college is the best option for you. But do seek advice from your family and friends; from your teachers and careers advisors...I'm sure they will help you make an informed choice. Also, I would recommend visiting a few university open days to find out what's on offer. Universities want to attract students so it is in their interest to offer various packages including arrangements for financial help – especially to students from a low income family. For me personally, university has been an invaluable experience. Aside from achieving my degree I have gained a wealth of life skills as a result of living independently. As I said earlier, I have handouts for everyone which give the key facts and figures that I have covered in this presentation. Please take one home. If anyone has any further questions they would like to ask me then I will be around for another mins to speak to you. Once again thank you all for coming!