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Student Finance higher education advice for Parents

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**UK Student Recruitment and
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Part 1



**Primary funding
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In the News.....

- You may have heard in the news or in the media and online that Tuition Fees are being “**Increased from 2025**” – This is **true, but not by a significant amount!**
- Tuition Fees are being **increased by 3.1%** to reflect recent rises in inflation. This means that Tuition Fees are going to rise in England and Wales from £9,250 **to £9,535 per year from September 2025**
- Tuition fees may increase **each subsequent year** in line with inflation
- **Maintenance Loans**, the money you use for living costs, are also **going to be increased by 3.1%**, in line with inflation
- **The 3.1% rise** will provide as much as **£414 extra per year** to help students from the lowest income families with the cost of higher education



What does this mean for you?

- The amount of loan students repay is **based on how much they earn** and not how much they borrowed, and the government **have not made changes** to this part of how the loan works. This is what keeps their monthly payments affordable based their salary
- This means they **won't make higher repayments proportionate to their salary** based on their student loan on a monthly basis
- The **maintenance loan** (which is the money paid to them to live while they are a student) is increasing, which will be a boost to help them (and you indirectly) with living costs while they are studying university
- It's important to understand how the student loan works so that you can make an informed decision – ultimately, **it is up to you as a family to decide whether or not you wish to take out Student Finance....**

How do students pay for university?

- **Student Finance England (SFE) provide financial support to all eligible English students** entering higher education across the UK.
- The **two main costs** students incur whilst studying are paying **tuition fees** and **living costs**. A **loan** is available from the Student Loans Company to help them cover both of these costs, so they do not **need the cash to pay upfront**.
- The amount of loan your child may be eligible for **depends on your circumstances**, the **course they choose** to study and **where they plan to study in the country**.
- They may be eligible additional for financial support such as Bursaries and Scholarships which you **don't have to pay back! - More on this in Part 3**

How do students apply for student finance?

- They need to **create an account** and **apply online** at www.gov.uk/studentfinance
- Student Finance **opens from the beginning of March** and the **deadline to apply** is around the **end of May each year**
- **Please apply as soon as possible!** - You do not need to wait until you have a confirmed place in UCAS to apply for Student Finance as you can amend your details at any time to reflect changes in your circumstances
- **Applications can be cancelled** easily if they **decide not to go** to university at all or **defer entry** to the year after. It is better to apply, and amend it, than not apply at all!
- **Students fill** out their section about their **Education history** and then there is a section **parents and guardians fill out about household income**

How do students pay for Higher Education?

- The **two main costs** students incur when studying at University are paying **tuition fees** and **living costs** . A **loan** is available from the Student Loans Company to help you cover both of these costs

TUITION FEE LOAN

- A **Tuition Fee Loan** is available to cover the cost of the fees charged by a university or college – this is currently **£9,535 for full-time courses across the UK for Students from England** (*similar schemes for Scotland, Wales and Northern Ireland*)
- Eligible students **do not** have to **pay Tuition Fees up front!**
- A Tuition Fee Loan is **not dependent on Household Income** i.e., it is not means tested
- A Tuition Fee Loan from Student Finance England is **paid directly to the University or College**. Students do not see this money in their bank accounts

The Tuition Fee Loan and Maintenance Loan are **repayable**, but only once the student has graduated and their income is over **£25,000 a year**

MAINTENANCE LOAN

- A **Maintenance Loan** is available to help with **your living costs** while in higher education e.g., accommodation, books, clothes, travel etc...
- The amount of Maintenance Loan a student gets depends on three factors:
 1. **Where you choose to live**
 2. **What you choose to study**
 3. **Household income based on Parents or Legal Guardian**
- The Maintenance Loan is **paid directly to the student** into their own bank account **in instalments each term**
- A Parent or Guardian can be nominated by someone else to be the contact by 'proxy'

How is income assessed for Student Finance?

Student Finance England will decide your entitlement, based on the following information: www.gov.uk/support-child-or-partners-student-finance-application

If the student is **under 25 years old**, **ANY income** that their legal **parents or guardians receive** within the tax year **'counts'** as **household income**, including:

- Earnings
 - Benefits such as Universal Credit
 - Rental income
 - Pension
 - Disposal of Property
- If the student **lives with one parent only**, or **one parent** and their **cohabiting partner**, then their income **is** also **included** in the calculation of what is counted as **'Household Income'**
- Any **income from siblings** living at home is **'not'** taken into consideration when assessing student finance. Similarly, if **Grandparents or relatives** live in the same household, then unless they are the legal guardian, their **income doesn't count** towards the calculation either

Applying as an Independent household?

Household Income does NOT include your parents or legal guardians if one of the following applies in your personal circumstances:

- The student must have **supported themselves financially for at least 3 years** by the time of making an application for student finance
- The student must of **spent at least 13 weeks** in local authority care before you turned 16, which in this case, you might be able to apply as a [care leaver](#) – see *Bursaries and Scholarships*
- The student has had no contact with your parents for over a year, which means you are considered an [‘estranged student’](#) – to find out more, please visit the following weblink: www.ucas.com/finance/student-finance-england/finance-independent-students

Maintenance Loan amounts for 2025



Stay at home

Living at home whilst studying i.e. commuter student

Up to
£8,877



Elsewhere

Living away from home and studying outside of Greater London

Up to
£10,544



Live in Greater London

Not living at home with family and studying within Greater London

Up to
£13,762



Living and participating in Study Abroad

Up to
£12,076

Maintenance loan amounts for 2025

Household Income	Living at home and commuting	Elsewhere (excluding Greater London)	Not living at home within Greater London
£25,000 & under	£8,877	£10,544	£13,762
£30,000	£8,132	£9,791	£12,997
£35,000	£7,385	£9,038	£12,231
£40,000	£6,640	£8,284	£11,465
£45,000	£5,894	£7,530	£10,699
£50,000	£5,148	£6,777	£9,933
£55,000	£4,401	£6,023	£9,167
£60,000	£3,907	£5,269	£8,401
£65,000	£3,907	£4,915	£7,635
£70,098 & over	£3,907	£4,915	£6,848

For an estimate of your student finance entitlement, visit www.gov.uk/student-finance-calculator

Maintenance Loan Installments

- **Maintenance Loans** are paid into the nominated bank account you choose in three **instalments** throughout the year (**September, January and April**)
- The **September and January installments are the same** amount, but the amount in **April is slightly larger**, but covers a longer period throughout the summer (see picture below for an example of this!)
- There is the option to have the Maintenance **Loan installment changed to monthly** to coincide with paying rent or student accommodation, if this applies to your situation

Please note: Installment dates of the Maintenance Loan may vary depending on when your university institution semester (term-time) officially starts

Payments to you

What's being paid	Expected payment date	Amount
Maintenance Loan	26/09/2016	██████████
Maintenance Loan	09/01/2017	██████████
Maintenance Loan	01/05/2017	██████████
Total:		██████████

What if your circumstances changed recently?

- **Household income** is assessed **based on previous tax year**, so it is **based on income between 6 months to 18 months** earlier than when the students starts the course
- The Tax year runs from the **6th April to 5th April** each year
- Applicants can apply for a **'Current Income Assessment'** if your circumstances have changed at any point after they have submitted their initial application - ***This is encouraged!***
 - An example would be if a parent retires during the previous tax year and their income decreases so the student is potentially eligible for a higher maintenance loan amount than was originally thought due to change in circumstances
- Students need to **re-apply for Student Finance** at the start of **each year throughout the duration of your course!**



The Hidden Parental Contribution 'cost'

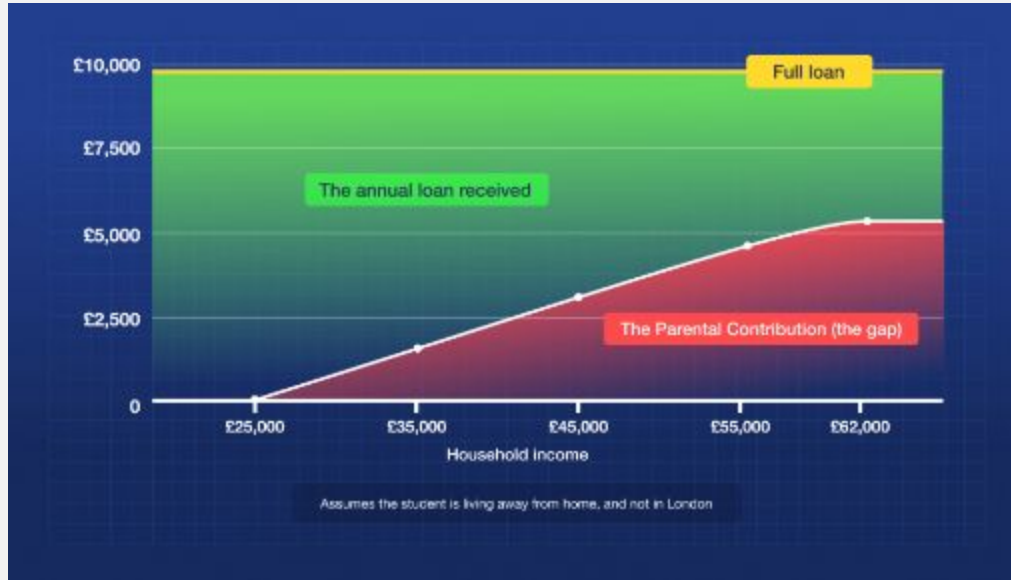
MSE

MoneySavingExpert.com

- The **proportion of maintenance loan** that many students will be **eligible** to receive **starts decreasing** if your **household income exceeds £25,000**
- For many people, the **maintenance loan is not enough** to cover the cost of going to university, and society (UK Government) expects those with higher household incomes to make up the remaining cost themselves – this is known as **Martin Lewis** describes it, as the **Hidden Parental Contribution**
- This missing amount is effectively an unsaid, **hidden parental contribution** as the only reason your child **may receive less maintenance loan** than others is that your family household income is deemed 'higher' than others
- For more information about the **hidden parental contribution**, please visit: www.MoneySavingExpert.com where there is a useful resource called the **University Parental Income Calculator** where families can work out their hidden contribution

The Hidden Parental Contribution 'cost'

- The **graph below shows how as your income increases the amount of loan received drops**, meaning the gap... **the parental contribution**... between the full loan and what's received grows



What if parents, can't or won't contribute?

- Of course, it is widely recognised that **some parents won't be able to afford to help their children financially** while they are at university and that is 'OK' 😊
- There is **no rule that obliges parents & partners to contribute** financially to their children studying at university, especially if you have more than one child at university during the same period e.g. siblings or twins, then this can be challenging!
- Knowing there is a **hidden contribution gap enables** both you and your children understand what level of funds are needed and how to budget ahead
- It is important for both of you to **have an open and honest conversation together** as a family to work out if, and how, you can make up the difference in income from other means such as **part-time employment, placements and savings**
- In fact, the most **important practical considerations** a student will need to make when **choosing a university and course** is **being realistic** about what you can budget for – look at all the costs e.g. **transport, accommodation etc...**

Part-time employment

- Many students will **work part-time** around their studies as a **means of earning additional income**, but also to **develop soft skills** that complement your qualification when you graduate!
- **Universities encourage part-time employment** providing it is not detrimental to your studies, but vacation (holidays) are significantly longer at university than school or college, so more opportunity to work outside of your studies
- Sectors that often recruit students and are flexible are... **Hospitality venues** such as **bars and restaurants**, as well as **retail, supermarkets** plus you could look at private tutoring, leisure centres, entertainment centres
- We recommend **working for your university** as a **Student Ambassador** or similar



Become a Student Ambassador

- **Student Ambassador** schemes offer great flexibility to work for your university around your studies
- **Zero Hour contracts** – you can work as much or as little as you want with more shifts during the holidays when you have more free time
- Opportunity to **gain new skills** such as public speaking, delivering presentations, managing large scale events, customer service, working within a diverse team and data analysis
- Opportunities for **progression** to Senior Student Ambassador roles or summer Internships
- Overall – very **good for your CV and future careers**



Lifelong Learning entitlement (LLE)

From September 2026, Student Finance will be restructured and called '**Lifelong Learning Entitlement**' (LLE) and **students** will be able to apply for LLE funding for courses and modules starting from January 2027 onwards

- The purpose of the LLE is to create a **single funding system** for students wishing to progress their education to a higher level at level 4 and above

The LLE loan will be available for:

- Full courses at [level 4 to 6](#), such as a degrees, technical qualifications and designated distance-learning and online courses which can include flexible modular learning of courses

Under the LLE, eligible learners will be able to access:

- **A tuition fee loan**, with new learners able to access up to the **full entitlement of £38,140 – equivalent to 4 years of study**, based on academic year 2025 to 2026 fee rates
- **A maintenance loan** to cover living costs, for courses in-person, which is the same as now!

Alternative Student Finance

- All **student loans currently charge interest!** *(More on this shortly)*
- This means that **some people feel unable to use the existing student finance system** for university or college, due to their faith or conscience
- The government has committed to **introducing a student finance product** with an **alternative to interest payments** – This will be **introduced from September 2026**
- This new alternative will be **compatible with Islamic finance principles in being Sharia-compliant**, as there will be **no interest applied**
- This will be called **‘Alternative Student Finance’**
- You can **apply** for **Alternative Student Finance** to cover **both** the **tuition** and **living cost** element in the same way as you can for a **traditional student loan**.

Alternative Student Finance

- The **new finance system** will be **certified as being Sharia-compliant**. It will use the **Islamic finance principle of Takaful** to provide a form of group-based mutual support
- Alternative student finance is being made **available** for **any prospective undergraduate student** who is eligible for Student Finance **regardless** of whether you are applying for Faith reasons, conscience or any other reason
- After complete your studies, students **repay contributions** and the contributions are **'ringfenced' to help future students**, so the funds are used **only** for **providing support for the next generation** of students, **not to repay banks with interest**

Also, if you don't feel comfortable applying for Alternative Student Finance, there are other alternative funding providers who offer sharia-compliant banking including:

- Al Rayan Bank
 - United Bank UK
 - Ansar Finance
-
- If you would like to speak to someone about ethical issues with borrowing, please reach out to our University Imam, Musa Admani, on musa.admani.1@city.ac.uk

Part 1



**Primary funding
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**Additional
funding sources**

Part 2



Repayments
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Repaying your student loan

- Students **do not start repaying their loans after they have graduated from University**
- **Everything they borrowed** e.g. a Tuition Fee and Maintenance Loan is **brought together** when you make repayments under one repayment called 'Student Loan'
- **Repayments are based on your salary**, not on the amount of loan or how much the student borrowed whilst they are studying – this is why many call it a **Graduate Tax**
- Graduates don't start making repayments until their own income is over the set threshold which is **£25,000 per annum** (*equivalent to £2,083 a month or £480 a week*)
- Graduates **repay 9% of their gross income over £25,000**, which is **divided into 12 monthly repayments**
- **If their income falls below £25,000** at any point whilst they are in the labour market, **the repayment is paused** until their income goes above the threshold again
- The **repayment period for paying student loans lasts for 40 years** from which point

Repaying your student loan – Plan 5

- **The student loan is deducted from your Gross Pay** like Income Tax and National Insurance unlike mortgages or rent which you have to personally manage
- Repayment operates more like a **Graduate Tax** than a traditional bank loan
- It does **NOT affect your credit score** like traditional loans, mortgages and car finance
- However, as it is like a tax, it is **considered as an outgoing** when planning a budget e.g. for housing affordability

Gross Annual Income	9% Repayment deducted from	Monthly Repayment
£25,000	£0	£0
£28,000	£3,000	£22
£30,000	£5,000	£37
£35,000	£10,000	£75
£40,000	£15,000	£112
£45,000	£20,000	£150
£50,000	£25,000	£187

Is Interest charged on student loans?

- **Yes - Interest is charged on student loans** from the **day the Student Loans Company make your first payment** to you or to your university or college until your loan has been repaid in full or cancelled
- The **interest rate** on Plan 5 student loans is **based on the Retail Price Index (RPI)**, which measures changes to the cost of living in the UK e.g. TfL and National Rail fares
- The **interest rate applied to student loans** is normally determined once a year, usually in September, using the **RPI rate from March** of that year
- To protect borrowers from any extreme rises in inflation, the **UK Government will cap student loan interest** in-line with the prevailing market rate
- From April 2027, the **threshold will be adjusted annually with inflation (RPI)**
- To find out the current rate of interest, please visit this webpage on gov.uk website: www.gov.uk/guidance/how-interest-is-calculated-plan-5

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**Additional
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Bursaries and Scholarships

Universities and other organisations offer **Bursaries and Scholarships** to help make university more affordable for students whilst they are studying. Unlike student loans, students **do not need to pay these back!**



Bursaries

- A **Bursary** is usually means tested and awarded to students based on their household income, and is awarded to students who live in low-income households / low participation neighbourhoods
- There may be other types of Bursaries for **students with disabilities** and those who are **care leavers** – *more on this shortly*

Scholarships

- **Scholarships** are usually awarded to students based on academic or extra-curricular excellence in areas such as Arts, Music, Sports as well as Volunteering and Community work
- Example: **Undergraduate Scholarships for Black British students from lower-than-average income households**

NHS Learning Support Fund (NHS LSF)

- If your children is planning to study a course related to a career in the NHS, then they are eligible for and can apply for the **NHS Learning Support Fund (LSF)**
- The NHS Learning Support Fund (LSF) provide students with **a training grant of up to £5,000 per academic year**, if you choose to study on any Healthcare or NHS Career related pre-registration undergraduate or postgraduate courses
- **Reimbursement for travel** and excess costs occurred such as temporary **accommodation** costs while on Placement known as (Travel and Dual Accommodation Expenses)
 - To **apply for the LSF**, you need to **register** and **create an account** on the NHS Learning Support Fund webpage using this link here:
 - www.nhsbsa.nhs.uk/nhs-learning-support-fund-lsf



Courses that are eligible for the LSF

Courses at City St George's that are eligible for the Learning Support Fund:

- Adult Nursing
- Children's Nursing
- Mental Health Nursing
- Midwifery
- Diagnostic Radiography
- Therapeutic Radiotherapy and Oncology
- Speech and Language Therapy
- Occupational Therapy
- Physiotherapy
- Paramedic Science

Medicine and Dentistry

- Usually a mixture of four years of the standard Student Loan followed by the NHS Student Bursary scheme, for more information, please visit

www.healthcareers.nhs.uk/career-planning/study-and-training/considering-or-university/financial-support-university/financial-support-

Other higher education courses that are eligible for the Learning Support Fund:

- Dental Therapy or Dental Hygiene
- Orthoptics, Orthotics and Prosthetics
- Podiatry or Chiropody
- Dietetics
- Operating Department Practice (ODP)



Disabled Student's Allowance (DSA)

- **Disabled Students' Allowance (DSA)** provides **help towards the additional costs** a student may face due to their disability, long-term health condition, mental health condition or specific learning difficulty:
 - DSA covers a wide selection of disabilities and conditions, with assessments based on the specific needs of each individual student depending on your needs
 - DSA support is **not income assessed** and **does not** have to be **repaid**
- For academic year 2024/2025, you could **get up to £26,948** in DSA support, which is available to eligible students and can be allocated across the defined allowance categories which are:

Non-Medical Helper	General Allowance
Specialist Equipment	Travel Allowance

- For **more information on DSA support**, including how and when to apply, please visit: www.gov.uk/disabled-students-allowance-dsa

Maintenance and other types of support

Childcare Grant

Based on 85% of actual approved childcare costs up to a maximum weekly limit

One child

£193.62 per week

Two or more children

£331.95 per week

Parents' Learning Allowance

Help with course-related costs for students with dependent children

The amount received is between £50 and £1,963

Adult Dependants' Grant

Normally for the students' partner or other adult who is financially dependent on the student where the adults' net annual income is not more than 3,796

The maximum grant available is: £3,438

Key Messages

1. **Student Finance is available** so that **students do not need to pay** for their studies at university **upfront** or in advance!
2. There are **two types of loan** that students can apply for to help them pay for university:
 - A Tuition Fee Loan
 - A Maintenance Loan
3. Students **only start repaying** student finance once they earn over £25,000 per year
4. Students may be **eligible for additional money** while they are at university, such as **Bursaries and Scholarships** as well as subject specific **e.g., NHS Learning Support Fund**
5. All students can **apply for Student Finance online** through the GOV.UK website, using the following link: <https://www.gov.uk/student-finance> - **Apply as soon as possible!**
6. Overall - **Finance should NOT be a barrier** to deter you from fulfilling your ambition of wanting to go to University or access a particular profession!

**Any
Questions**



Keep in touch and find out more (Parents and Guardians)

- Attend one of City St George's **Undergraduate Open Days:**
www.citystgeorges.ac.uk/study/visit-us/undergraduate-open-days
 - Clerkenwell Campus: 11 October and 22 November 2025
 - Tooting Campus: 18 October 2025
- **Book a Campus Tour** delivered by one of our friendly Student Ambassadors:
www.citystgeorges.ac.uk/study/visit-us/campus-tours
- **Order a prospectus** which can be downloaded or delivered to you to hear more about City St George's courses:
www.citystgeorges.ac.uk/study/prospectus



Scan the QR code to be added to City St George's Parent's mailing list looking to support their student through the UCAS application process and transition to university.

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