

Welsh university students get most financial support in UK

Report reveals differences in student grants, loans, fees and debts across the UK countries

Free tuition in Scotland benefits the wealthiest – study

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Jamie Evans from Wales enjoys a generous grant and tuition fees in effect capped at £3,685. Photograph: Dimitris Legakis/Athena Picture Agency

After 15 years of devolution, which part of the UK offers the most generous student grants, the lowest fees and the least student debt? While the difference in the cost of going to university between Scotland (no fees for Scottish students) and England (up to £9,000 a year in fees) is well known, we hear less about what is happening in other parts of the UK.

A report comparing the different funding systems for 2014-15 shows that low-income Welsh students receive the highest cost-of-living grants and incur the lowest debts to pay for their degrees. The report compares grants for various incomes across all four UK nations, plus fees and student loans.

"For the poorest third or so of full-time students, the Welsh system is particularly good, wherever those students go to study in the UK," says Lucy Hunter Blackburn, former head of higher education at the Scottish executive and author of the report for the Economic and Social Research Council's Future of the UK and Scotland programme.

"They receive the greatest help with the cost of living away from home."

In Wales, students from households with incomes of less than £18,000 get a cost-of-living grant (which does not have to be paid back) of £5,161 – nearly three times as much as the same group of students in Scotland (£1,750). It is also significantly more than the maximum cost-of-living grants in England (£3,387) and Northern Ireland (£3,475). The point at which families earn too much to qualify for any grant is also highest in Wales (a household income of just over £50,000) and lowest in Scotland (£34,000).

The comparisons follow last week's report by the Institute for Fiscal Studies, which said that increasing the cap on tuition fees to £9,000 may not save taxpayers any money and could even cost more, depending on graduate earnings, with many unable to repay their loans. And Universities UK has just established a panel of vice-chancellors and experts to investigate student fees and loans in England, amid concerns that the system may not provide value for money. It will also consider the impact of proposals on Wales, Northern Ireland and Scotland.

For Jamie Evans, 21, a third-year business student at Aberystwyth University, the maximum cost-of-living grant made studying a viable option. "[It] has made a big difference for me. I probably would have had to drop out of university by now if I'd not had it."

Evans and other Welsh students also enjoy a unique loans system. They need to take out a loan only for the first £3,685 of their tuition fees – even if fees are £9,000 – with the Welsh government paying the rest wherever in the UK they study. Northern Irish students' fees are also capped at this level but they must study in their home nation to benefit.

Rosa Brown, 20, from Cardiff, is a second-year history student at Exeter University and was among the first to face £9,000 tuition fees. "Not many people in England knew [that the Welsh government pays the difference between £3,685 and £9,000] and a lot of Welsh students assumed that you had to go to a Welsh university to receive it."

So the poorest Welsh students end up taking out fee loans of just £11,055 for a three-year degree regardless of where they study, plus whatever they choose to borrow in cost-of-living loans up to a maximum of £2,622 a year.

With the Welsh government committed to writing off the first £1,500 debts for most graduates, even with interest accumulating on their loan while they study, which will add around £2,500 to their debts, the poorest students from Wales will end up owing the least: £20,000 including interest. Northern Irish students also graduate with lower levels of debt, although they get less to live on. But as Scottish universities do not usually offer three-year degrees, low-income Scottish students end up borrowing a further £5,750 to cover living costs for a fourth year of study. Poorer English students, meanwhile, are looking at just under £13,000 a year before interest; top-up bursaries and fee waivers will enable some to reduce these figures, but access to extra support is uneven.

Nick Hillman, director of the Higher Education Policy Institute, warns against reading too much into total debt figures – particularly for English students. "The precise level of debt matters less if you are never likely to repay your whole loan – up to three-quarters of English graduates are predicted never to repay in full," he says. Welsh students may end up owing less, but if graduates from England never pay off all their debts, is the difference important?

In theory, if a Welsh undergraduate found a part-time job, it could be feasible to survive on the maximum £5,161 grant alone. In this scenario, the poorest Welsh students could end up owing just £11,000, including interest, regardless of where they study.

In contrast, while a no-student-fee policy in Scotland may seem progressive, the main beneficiaries are more affluent families.

Once family income exceeds £34,000, Scottish students have less debt than others in the UK, with the maximum student loan for living costs of £4,750 a year to pay back. This means that with no fees to pay if they study in Scotland, these graduates have among the lowest total debts in the UK: £19,000 before interest, while poorer undergraduates would owe £23,000 (due to lower grants, they would need to take out the maximum student loan for poorer undergraduates of £5,750). "The Scottish system doesn't stand out in what it does for the poorest. Its clearest benefits go to those from better-off backgrounds," says Hunter Blackburn. "They get a huge advantage by coming from Scotland."

Franchesca Hashemi, 21, is in the third year of her four-year journalism degree at the University of the West of Scotland. As she was in care from the age of 14, she gets a £750 independent student bursary. But because she does not have family support, she still struggles and thinks she will owe £27,000 on graduation. "There are days when I don't go into uni because it saves me money.

"For my course I've had to take on work placements and that's been really hard. You can't take on a part-time job, there's not enough hours in the day. And you don't get paid for placements and rarely get your travel reimbursed."

Mature students in Scotland are at a particular disadvantage. The maximum grant available to those from households with incomes below £17,000 is just £750, against £5,161 given to the poorest Welsh students. Mature Scottish students are able to take out student living-cost loans of £6,750 a year, leaving them with potential debts after a four-year degree of £27,000 before interest.

In contrast, Welsh mature students are eligible for extra grants. Rhodri Davies-Camplin, 26, from Haverfordwest, Pembrokeshire, left his job as a consultant to do a PGCE at Swansea Metropolitan University. He receives a grant because he is over 25. "Without the help I wouldn't have been able to afford it. It's costs like running the car, travelling back and forth to placement, just general life. Without it I wouldn't have been able to leave my job and go on the course."

Brown says the Welsh government's policy has the added benefit of encouraging

graduates to look for work at home. "Lots of people might have written off the idea of going to uni, but now it's making them more willing to go and to come back to Wales to find work afterwards," she says. "We're just really grateful."

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