



## DEBATE PACK

Number CDP-0044, 26 February 2018

# Funding higher education

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## Summary

On 28 February 2018 at 9:30am, there will be a Westminster Hall debate on Funding higher education, sponsored by Gary Streeter MP. This paper summarises some of the background to this debate.

The Library has already published a number of briefings on the subject of higher education funding. In particular, [Higher education funding in England](#) sets out the general background and statistics on the issue. Other Library papers include:

[Student loan interest rates FAQs](#)

[Higher education tuition fees in England](#)

[Abolition of maintenance grants in England from 2016/17](#)

[Prime Minister's announcement on changes to student funding](#) (following the announcement – in October 2017 - of changes to the student finance system)

[Support for postgraduate students in England](#)

[Part-time undergraduate students in England](#)

The Library has also produced a number of relevant statistical briefings:

[Tuition fee statistics](#)

[Student loan statistics](#)

[The value of student maintenance support](#)

[Higher education finance statistics](#)

The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

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# 1. Background

## 1.1 Higher education funding in England

Higher education funding underwent fundamental changes to how it was financed in England 2012 when the Government raised the cap on tuition fees for new student to £9,000 in 2012/13 and cut most ongoing direct public funding for teaching in England. This reform shifted the balance of higher education funding further away from the state and further towards the individual who benefits.

Library briefing 7393, [Higher education funding in England](#), 19 January gives a detailed account of higher education funding.

Information on higher education funding is also available in an Institute for Fiscal Studies briefing, [Higher Education funding in England: past, present and options for the future](#), 5 July 2017 and an overview is given in a briefing by Universities UK, [University Funding Explained](#), July 2016.

## 1.2 Public spending on higher education in England

There are two main elements of public spending on higher education – direct funding through the Higher Education Funding Council for England (HEFCE) which covers both teaching and research and student loans.

### Direct funding through the funding council

The Secretary of State writes to HEFCE around the turn of each year to set out funding, priorities, student numbers and related matters for the following financial year. The most [recent full funding letter](#) was published at the end of February 2017. It covered funding in 2017-18 and gave indicative allocations for the following year. The letter confirmed funding **overall of £3.5 billion for 2017/18**.

Total levels of funding for HEFCE fell before the 2012 reforms came in. Cuts in funding were in the £0.8-0.9 billion range from 2011-12 to 2015-16. After this, with almost all students on the new funding regime, cuts have been much smaller.

### Student loans

There are two types of student loans – fees and maintenance. Full-time home and EU students on qualifying courses can take out a loan to cover the tuition fees for their course. From 2012 new part-time students on courses with an intensity of 25% or greater became eligible

for loans. From 2016-17 postgraduates could apply for fee loans of up to £10,000.

The Office for Budget Responsibility has forecast that the **total value of new loans in England will increase from £16.7 billion in 2017-18 to 19.9 billion in 2022-23**. This is driven by replacing grants with loans, but also by maintenance loans for part-time students, fee loans for Master's degrees and replacing nursing bursaries with loans.

A report by the Treasury Committee [Student Loans](#), HC 478, 18 February 2018 provides an overview of the student loan system and current issues.

#### Box 1: Subsidy element of loans

Only part of the face value of fee and maintenance loans paid out in any one year counts as public expenditure. This is what the Government expects the subsidy element to be and is viewed as the permanent costs of the loan to the taxpayer. This system is known as **resource accounting and budgeting (RAB)** or accruals accounting and has been in place in the public sector for more than a decade. The subsidy element is calculated as the face value of loans made in any one year less the discounted or present value of future repayments. This can be thought of as the amount of money lent to students that the Government does not expect to get back. It is frequently expressed as a proportion of the value of loans, the so-called RAB charge.

Jo Johnson the previous Minister for Universities told a [Treasury Committee inquiry on student loans](#) that after the changes announced in October 2017 the RAB charge would be between '40 and 45 percent'.

The subsidy element of loans is classed as a financial transaction and not included in the Government's main measure of public spending on services. It therefore hence does not count towards the fiscal deficit. It is, however, estimated and published in reports from the Government and the Office for Budget Responsibility. The total face value of loans do count towards the national debt.

## 1.3 Student support

Spending on student **maintenance grants** was just under £1.3 billion in academic year 2010/11 and increased in cash terms in each subsequent year to just over £1.6 billion in 2015/16. It overtook funding for teaching and for research (both via HEFCE) as the most important single source of direct public expenditure on higher education in 2015/16. With research funding protected and support for teaching reduced to high cost and priority subjects this was the one remaining area where substantial savings to direct public expenditure could be made.

In his Summer Budget 2015 the Chancellor announced that **maintenance grants would end for new students from 2016/17** and be **replaced by loans**. The Government estimated that abolishing grants and replacing them with loans for new students from 2016 could **save £2.5 billion** (cumulatively) by 2020-21.

Provisional data for academic year 2016/17 showed the amount awarded was £1.05 billion; a drop of almost £0.6 billion or 36%. Early data for 2017/18 (up to mid-November) indicates a further fall to £0.55 billion.

Library briefing 8237, [Student support for undergraduates across the UK](#), 20 February sets out student funding levels in the UK regions.

## 1.4 Higher education funding reforms

Higher education funding has been through a long period of reform:

- **Higher Education Act 2004** trebled tuition fees to £3,000. The Office for Fair Access (OFFA) was created to maintain access for disadvantaged students
- [2010 Browne Review](#) of sustainability of higher education funding and student finance. This review conducted during the period of austerity recommended removing the cap on fees and charging a levy on higher education institutions that charged over £6,000 per year. The review also recommended a more progressive interest rate on loans
- **2012 reforms** cut public funding for higher education and:
  - raised fees to upper limit of £9,000,
  - increased student loan repayment threshold to £21,000
  - introduced a variable rate of interest on loans (RPI +3% while studying, RPI after graduation and under the repayment threshold, RPI when over the threshold rising to RPI +3% for incomes over £41,000)
  - committed to increase repayment threshold periodically in-line with earnings
- **2015 cap on student numbers removed**
- **2016 Teaching and Excellence Framework (TEF)** introduced which allowed higher education institutions with high quality teaching to raise their fees. 2017/18 tuition **fees raised to £9,250** in institutions with TEF awards
- **Higher Education and Research Act 2017** passed it aims to increase competition in higher education, open up the system to new providers and create a new regulator the Office for Students
- **1 October 2017 Prime Minister announced:** the **fee cap would be frozen in 2018-19**, the **student loan repayment threshold would rise to £25,000** and there would be a review of the student finance system.
- **February 2018 [Review of Post 18 education and funding](#)** launched (see section 1.6 below).

## 1.5 Impact of 2012 reforms

An Institute for Fiscal Studies [briefing in July 2017](#) estimated that the total level of resources universities receive per student **increased by around 25%** as a result of the 2012 reforms.

## 1.6 February 2017: Post-18 education review

On 19 February 2018, the Prime Minister, Theresa May, announced in a [speech](#) that there would be a “wide-ranging review into post-18 education” led by Philip Augar.

The Prime Minister went on to explain that universities are better funded now “than they have been for a generation”. She also argued that recent reforms have fairly shared the cost of higher education between the taxpayer and students, and enabled the Government to lift the cap on the number of places available. However the Prime Minister expressed disappointment at the lack of a competitive higher education market, with no variable tuition fees according to cost, quality and length of courses. The review is to look at how future students will contribute to the cost of their studies, including “the level, terms and duration of their contribution.” The Prime Minister discounted the idea of moving back to a fully taxpayer funded system.

The [terms of reference](#) for the review have been published. The factors that the panel will look at include:

1. Choice and competition across a joined-up post-18 education and training sector:
  - How we can help young people make effective choices between academic, technical and vocational routes after 18, including information on earnings outcomes and the quality of the teaching they receive.
  - How we can support a more dynamic market in provision, taking into account reforms already underway, whilst maintaining the financial sustainability of a world-class higher education and research sector.
  - How we can encourage learning that is more flexible (for example, part-time, distance learning and commuter study options) and complements ongoing Government work to support people to study at different times in their lives.
  - How to ensure the market provides choice with higher-level degree apprenticeships and shorter and more flexible courses, in particular accelerated degree programmes, and supporting innovative new institutions that can drive competition.
  - How we can ensure that there is world-class provision of technical education across the country including through the new Institutes of Technology.
2. A system that is accessible to all:
  - How we can ensure that people from disadvantaged backgrounds have equal opportunities to progress to and succeed in all forms of post-18 education and training.
  - How disadvantaged students and learners receive maintenance support, both from Government and from universities and colleges.

3. Delivering the skills our country needs:
  - How we can best support education outcomes that deliver our Industrial Strategy ambitions, by contributing to a strong economy and delivering the skills our country needs.
4. Value for money for graduates and taxpayers:
  - How students and graduates contribute to the cost of their studies including the level, terms and duration of their contribution, while maintaining the link that those who benefit from post-18 education contribute to its costs.
  - Ensuring that funding arrangements across post-18 education and training are transparent and do not act as barriers to choice or provision, considering how best to promote institutional efficiency and value for money for students and taxpayers.
  - How the Government and institutions communicate with students and graduates around student finance, ensuring this communication is as clear as possible (consistent with the relevant legal requirements) about the nature and terms of student support.<sup>1</sup>

The terms of reference clearly state that the review must:

- “Maintain the principle that students should contribute to the cost of their studies”
- Be in keeping with current reforms of further education (FE) and technical education, as well as keeping within the fiscal constraints of reducing Government debt
- Not suggest any caps on student numbers or any adjustments to the tax system or pre-2012 loans

It is expected that the review will report in early 2019.

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<sup>1</sup> [Review of Post-18 Education and Funding: Terms of Reference, Department for Education](#), February 2018

## 2. News articles

[Student loans review won't help those at university today](#), *Financial Times*, 22 February 2018 [available via Library subscription]

[What does 'value for money' mean for English higher education?](#) *Times Higher Education*, 22 February 2018

[Theresa May's review will not help higher education, students or Conservatives](#), *Times Higher Education*, 21 February 2018

[As a working-class student, I know degree pricing would entrench elitism](#), *Guardian*, 21 February 2018

[The tuition fee review is about saving the government money, not students](#), *Guardian*, 20 February 2018

[We need to rethink higher education funding](#), *Times Higher Education*, 20 February 2018

- An opinion piece from Justine Greening MP

[Fair Fees](#), *Times*, 20 February 2018 [available via Library subscription]

- An article against cuts to fees and proposing more minor reforms.

[Funding review: how much might it cost and who might gain most?](#) *Times Higher Education*, 19 February 2018

[May's Review On Fees Beats A Knee-Jerk Policy Change Due To Political Pressure](#), *Huffington Post*, 19 February 2018

[Gyimah: funding review to 'look at the facts dispassionately'](#), *Times Higher Education*, 19 February 2018

[Theresa May warned against cutting cost of arts degrees over fears disadvantaged students could ditch STEM subjects](#), *Telegraph*, 19 February 2018 [available via Nexis News subscription]

[Three ways to fix UK university financing](#), *Financial Times*, 19 February 2018 [available via Library subscription]

- An article arguing for maintenance grants, reducing loan interest rates, and supporting part-time courses

[Will fees review make any difference?](#) BBC News, 19 February 2018

[Not Another One](#), *Times*, 19 February 2018 [available via Library subscription]

- An article arguing that more modest reforms are required, not a full scale review.

[Tuition fees: May's overhaul is 'clear, simple and wrong' answer](#), *Guardian*, 18 February 2018

- An article arguing against variable fees for different courses

[MPs seek cut in high interest rates on student loans](#), *Financial Times*, 18 February 2018 [available via Library subscription]

- An article about the recent Student Loan enquiry report from the Treasury Committee.

[Education secretary Damian Hinds: I will make arts degrees cheaper](#), *Times*, 18 February 2018 [available via Library subscription]

[Cutting university tuition fees 'would be a subsidy to Tory voters'](#), *Observer*, 18 February 2018

[Tuition fees could be cut under major review of university funding to be unveiled by Theresa May](#), *Telegraph*, 16 February 2018 [available via Nexis News subscription]

[Robert Halfon: Pay more for a degree that doesn't get you into work](#), *Times*, 23 January 2018 [available via Library subscription]

[Lecturers want 'radical' tuition fee review](#), BBC News, 16 February 2018

[Many graduates earn 'paltry returns' for their degree](#), BBC News, 5 February 2018

[Universities win permission to charge £2,000 premium for two-year degrees](#), *Guardian*, 10 December 2017



[Never mind the students, tuition fees are a bad deal for the taxpayer,](#) *Guardian*, 3 October 2017

[A graduate tax would bring transparency to university funding,](#) *Times Higher Education*, 20 July 2017

[Lord Adonis is dead wrong: tuition fees should stay,](#) *Times Higher Education*, 20 July 2017

[Tuition fees should be scrapped, says 'architect' of fees Andrew Adonis,](#) *Guardian*, 7 July 2017

## 3. Sector comment

### Universities UK

[PM speech on education to mark launch of post-18 education and funding review in England](#), 19 February 2018

[Five things the university funding review must do](#), 19 February 2018

### Higher Education Policy Institute

[Arts on the cheap? Time for a return to evidence-based policymaking](#), 23 February 2018

[Two-thirds of students reject differential tuition fees for different courses](#), 22 February 2018

- This is based on a report called [Differential tuition fees: Horses for courses?](#) by HEPI, published 22 February 2018

[Comment on the Prime Minister's speech](#), 19 February 2018

### GuildHE

[GuildHE responds to review of post-18 education and funding](#)

### Million Plus

[MillionPlus outlines priorities for the government's review of post-18 education](#), 19 February 2018

[A review for whom?](#) 19 February 2018

[Statement from Dr Greg Walker ahead of the announcement of the post-18 education review quoted by ResearchResearch](#), 18 February 2018

[The NES would need to tackle 'smoke and mirror's' funding system](#), Million Plus, 22 September 2017

- Comparing Government strategy and Labour's proposals

### Russell Group

[Blog: why fees and funding must be fair](#), 20 February 2018

[Tertiary funding review launched](#), 19 February 2018

### National Union of Students

[Shakira Martin responds to post-18 education and funding review](#), 19 February 2018

## 4. Parliamentary material

### 4.1 Statements

#### [Post-18 Education](#)

Statement on the review of post-18 education and funding.

20 Feb 2018 | Ministerial statements | House of Commons | House of Commons chamber | 636 cc58-69

**Lead member:** Hinds, Damian

**Department:** Department for Education

#### [Higher Education: Response to the Resolution of the House, 13 September 2017](#)

06 Dec 2017 | Written statements | House of Commons | HCWS318

**Member:** Joseph Johnson

**Department:** Department for Education

#### [Higher Education Funding](#)

Urgent question on higher education funding.

11 Oct 2017 | Urgent questions | House of Commons | House of Commons chamber | 629 cc333-344

**Lead member:** Rayner, Angela | **Answering member:** Johnson, Joseph

**Department:** Department for Education

#### [Student finance update](#)

09 Oct 2017 | Written statements | House of Commons | HCWS145

**Member:** Joseph Johnson

**Department:** Department for Education

### 4.2 Debates

#### [University Tuition Fees](#)

Motion that this House has considered e-petition 182953 relating to university tuition fees. Agreed to on question. Sitting adjourned without Question put.

27 Nov 2017 | e-petition debates | House of Commons | Westminster Hall | 632 cc1-28WH

**Lead member:** Hill, Mike | **Answering member:** Marsden, Gordon · Johnson, Joseph

This Written Statement from 6 December concerns the motion, passed [13 September 2017](#), that the **Higher Education (Higher Amount) (England) Regulations 2016 (S.I., 2016, No. 1206)** and the **Higher Education (Basic Amount) (England) Regulations 2016 (S.I., 2016, No. 1205)** be revoked.

These regulations would have raised tuition fees in line with inflation.

**Department:** Department for Business, Energy and Industrial Strategy

### [Tuition Fees](#)

Motion that this House has considered the Government's decision to increase tuition fees implemented by the Higher Education (Basic Amount) (England) Regulations 2016 (S.I., 2016, No. 1205) and the Higher Education (Higher Amount) (England) Regulations 2016 (S.I., 2016, No. 1206). Emergency debate following a Standing Order No. 24 application. Agreed to on question.

19 Jul 2017 | Emergency debates | House of Commons | House of Commons chamber | 627 cc878-924

**Lead member:** Rayner, Angela | **Answering member:** Johnson, Joseph

**Department:** Department for Education

### [Education \(Student Fees, Awards and Support\)\(Amendment\) Regulations 2017](#)

Lords motion that “this House regrets that the Education (Student Fees, Awards and Support) (Amendment) Regulations 2017, which pave the way for students of nursing, midwifery and allied health professionals to receive loans rather than bursaries, have already been seen to discourage degree applications by a quarter, at the same time as Brexit has already reduced European Union migrant nursing and midwifery registrations by over 90 per cent; and that these factors risk turning an increasing problem in the National Health Service into a chronic one that potentially puts at risk safe levels of staffing (SI 2017/114).”

Disagreed to on division (121 votes to 159).

27 Apr 2017 | Debates on delegated legislation | House of Lords | House of Lords chamber | 782 cc1511-1525

**Lead member:** Clark of Windermere, Lord | **Answering member:** O'Shaughnessy, Lord

**Department:** Department of Health

### [Higher Education: Loans](#)

Lords motion that “this House regrets that the Higher Education (Basic Amount) (England) Regulations 2016 and the Higher Education (Higher Amount) (England) Regulations 2016 together with retrospectively changed loan conditions for existing students are further incremental burdens on students that risk worsening the opportunities for young people from low-income backgrounds, mature students and those undertaking part-time courses; and calls on Her Majesty's Government to report annually to Parliament on the impact on the economy of the increasing quantum of graduate debt, estimates of payback rates, and

the estimate of the annual cost to the Exchequer of the present system.”

Agreed to on division (174 votes to 163).

05 Apr 2017 | Debates on delegated legislation | House of Lords | House of Lords chamber | 782 cc1101-1115

**Lead member:** Stevenson of Balmacara, Lord | **Answering member:** Younger of Leckie, Viscount

**Department:** Department for Education

#### [Student Maintenance Grants](#)

Sixteenth opposition day debate (part one). Main question negated on division (292 to 306).

19 Jan 2016 | Opposition days · e-petition debates | House of Commons | House of Commons chamber | 604 cc1294-1350

**Lead member:** Marsden, Gordon | **Answering member:** Brennan, Kevin · Boles, Nick · Johnson, Joseph

**Department:** Department for Business, Innovation and Skills

#### [Higher Education Funding](#)

Debate on a Select Committee report (Third Report from the Business, Innovation and Skills Committee, Student Loans, HC 558, and the Government response, HC 777). Agreed to on question.

08 Jan 2015 | Backbench debates | House of Commons | House of Commons chamber | 590 cc407-449

**Lead member:** Bailey, Adrian | **Answering member:** Clark, Greg

**Department:** Department for Education

## 4.3 Parliamentary Questions (PQs)

[Further Education: Finance](#) (PQ125037)

**Asked by:** Moran, Layla | **Party:** Liberal Democrats

To ask the Secretary of State for Education, what the reasons are for a review of funding across tertiary education that focuses on post-18 education rather than post-16 education.

**Answering member:** Mr Sam Gyimah | **Party:** Conservative Party | **Department:** Department for Education

The internationally recognised understanding of the term tertiary education, in line with the International Standard Classification of Education, corresponds to English qualification levels 4 and above, which are typically taken by those aged 18 and over.

The government will conduct a major review of funding across tertiary education to ensure a joined-up system that works for

everyone. As outlined in the Industrial Strategy, the review will consider a range of specific issues within post-18 education.

The government is already fundamentally reforming the post-16 education system to give all young people the opportunity to fulfil their potential and deliver a better future for our country. A key principle of the reform agenda is to improve the quality of technical education provision to deliver young people with the skills employers need both locally and nationally. New T-levels, with content designed by employers, will support them into skilled employment or progression to higher education. T-levels will be backed by over £500 million annually by the time the programme is rolled out fully, and we are implementing apprenticeship reforms to continue to improve the quality of apprenticeships for all. Our commitment to the 16 to 19 sector has contributed to the current record high proportion of 16 to 18 year olds who are participating in education or apprenticeships.

The government will set out further details on the review shortly.

02 Feb 2018 | Written questions | Answered | House of Commons

#### [Mature Students](#) (PQ 120700)

**Asked by:** Sobel, Alex | **Party:** Labour Party · Cooperative Party

To ask the Secretary of State for Education, with reference to her Department's report, *Unlocking Talent, Fulfilling Potential: a plan for improving social mobility through education*, published in December 2017, Cm 9541, what funding will be allocated to support widening participation in higher education of people aged 21 and above.

**Answering member:** Anne Milton | **Party:** Conservative Party | **Department:** Department for Education

Government wants to make sure that higher education is available to all who wish to pursue it and this includes mature students. That is why, in our last guidance to the Director of Fair Access, we asked that institutions take into account the needs of older learners and make more effort to attract mature students as part of their Access Agreements. Higher Education Providers expect to spend around £860 million for 2018/19 on activity to widen participation.

In addition, the government is looking into ways of promoting and supporting a wide variety of flexible and part-time ways of learning which should have the effect of making higher education a more attractive option to mature students. For instance, we are consulting on how we make accelerated degrees more widely available. These shorter degree courses offer various benefits to all students - including lower costs, more intensive study, and a quicker entry or return to the workplace.

We have also taken steps to help those wanting to study part-time, often a mode of study preferred by mature students, by offering financial support in the form of loans to cover fees and maintenance costs.

The National Collaborative Outreach Programme (NCOP) is targeted at 18 year olds to support the government goal in doubling the proportion of young people from disadvantaged backgrounds in higher education by 2020. The NCOP targets those areas of the country where progression into higher

education is both low overall and lower than expected given typical GCSE attainment rates in order to address a potential lack of aspiration among school leavers. A key element of the NCOP is the partnership between universities and schools.

09 Jan 2018 | Written questions | Answered | House of Commons

[Universities: Finance](#) (PQ 109692)

**Asked by:** Smith, Royston | **Party:** Conservative Party

To ask the Secretary of State for Education, what the average contribution from the public purse to each Russell Group university is for 2017-18.

**Answering member:** Joseph Johnson | **Party:** Conservative Party  
| **Department:** Department for Education

This information is not available in the format requested.

The Higher Education Statistics Authority (HESA) is responsible for collecting and publishing official statistics on the sources of income that each university receives. This is collected retrospectively and so the latest year that financial data is available for is 2015/16. Aggregate data for the sector can be viewed here: <https://www.hesa.ac.uk/data-and-analysis/publications/finances-2015-16/introduction>.

Information for the 2017/18 academic year will be published by HESA in spring 2019.

03 Nov 2017 | Written questions | Answered | House of Commons |

[Students: Finance](#) (PQ 108349)

**Asked by:** Rayner, Angela | **Party:** Labour Party

To ask the Secretary of State for Education, pursuant to the Written Statement of 9 October 2017, on Student finance update, HCWS 145, what estimate her Department has made of the long-term annual cost to the taxpayer of those policy changes in that statement.

**Answering member:** Joseph Johnson | **Party:** Conservative Party  
| **Department:** Department for Education

The long-term cost of the student loan system is reflected in the Resource Accounting and Budgeting (RAB) Charge, which estimates the proportion of loan outlay (by value) that is not expected to be repaid. The RAB charge was estimated to be around 30%.

Following the changes to the student finance system outlined in the Written Ministerial Statement of 9 October 2017, this is expected to increase to 40-45%.

The cost of the system is a conscious investment in young people. It is the policy subsidy required to make higher education widely available, achieving the Government's objectives of increasing the skills in the economy and ensuring access to university for all with the potential to benefit.

23 Oct 2017 | Written questions | Answered | House of Commons

[Higher Education: Admissions](#) (PQ 4981)

**Asked by:** Rayner, Angela | **Party:** Labour Party

To ask the Secretary of State for Education, what assessment she has made of the effect of the (a) increase in tuition fees, (b) abolition of maintenance grants, (c) abolition of nurses' bursaries, (d) rate of interest on student debt and (e) decision to freeze the student loan repayment threshold in cash terms on the number of (i) university applications and (ii) nursing applications.

**Answering member:** Joseph Johnson | **Party:** Conservative Party  
**Department:** Department for Education

The Universities and Colleges Admissions Service (UCAS) publish data on the number of applicants by the 30 June deadline. UCAS data covers applications to full-time undergraduate courses only.

Data for the 2017 cycle is available here:

<https://www.ucas.com/corporate/data-and-analysis/ucas-undergraduate-releases/2017-cycle-applicant-figures-june-deadline-0>

The Government is committed to maintaining the UK's world class higher education system while living within its means and ensuring all those with the talent to benefit from a higher education can afford to do so. To put higher education funding onto a more sustainable footing, the Government asked future graduates to meet more of the costs of their studies through replacing maintenance grants with loans.

Tuition fees will not increase in real terms and Higher Education and publicly funded institutions will remain free at the point of access for those who are eligible, as tuition fee loans will increase to cover increased tuition fees.

In practice, the people who are affected by the decision to charge an interest rate of up to RPI+3% are those high-earning borrowers who pay back all, or very nearly all, their student loans; many of those who do not fully pay back their loans will see this part of their loan balance written off.

Freezing the repayment threshold enabled the Government to abolish student number controls – lifting the cap on aspiration and enabling more people to realise their potential.

To deliver more nurses and other health professionals for the NHS, a better funding system for healthcare students, and a sustainable model for universities, the funding system and financial support offered to most undergraduate nursing, midwifery and allied health professional students is being changed. From 1 August 2017, new undergraduate students will receive tuition fee loans and, for full-time courses, living costs support, administered by the Student Loans Company, rather than NHS bursaries.

Entry to nursing, midwifery and allied health profession remains competitive, with a ratio of nearly two applicants per nurse training place. Health Education England commissioned 23,285 nursing and midwifery places for the 2016/17 academic year. The overall numbers of applicants to English providers from all domiciles is 44,160 as of the June 2017 UCAS deadline. Health Education England therefore remain confident that they will be able to fill the number of training places required to meet NHS workforce requirements and are working with the university sector to support student recruitment in 2017/18.



[Higher Education: Admissions](#) (PQ 70980)

**Asked by:** Blomfield, Paul | **Party:** Labour Party

To ask the Secretary of State for Education, what assessment she has made of the effect of the reduction in the student opportunity allocation announced by the Higher Education Funding Council for England on 15 March 2017 on the Government's target for widening participation in higher education.

**Answering member:** Joseph Johnson | **Party:** Conservative Party | **Department:** Department for Education

Following the reforms to the funding system in 2012, real progress continues to be made in widening participation in higher education. The proportion of young people from disadvantaged backgrounds going into higher education has risen from 13.6% in 2009 to 19.5% in 2016.

As a result of the funding changes and the increased income available to universities, with universities forecasting income growth of £2.3bn by 2020 from their planned expansion of student places, there is an expectation that HE providers should take more responsibility for widening participation.

Through access agreements universities expect to spend £833.5 million in 2017/18 on measures to improve access and success for students from disadvantaged backgrounds. This is up significantly from £404 million in 2009.

Subject to the passage of the Higher Education and Research Bill we are further strengthening our approach to widening participation by:

- o Establishing the Office for Students (OfS), which will have a statutory duty to consider the promotion of equality of opportunity in relation to access and participation.
- o Introducing a Transparency Duty requiring providers to publish application, offer, drop-out and attainment rates of students broken down by ethnicity, gender and socio-economic background.
- o Ensuring that activities aimed at student retention success and progression in are included in within Access and Participation Agreements.
- o Enabling the provision of alternative student finance consistent with the principles of Islamic finance.

27 Apr 2017 | Written questions | Answered | House of Commons

[Students: Grants](#) (PQ 68401)

**Asked by:** Brabin, Tracy | **Party:** Labour Party

To ask the Secretary of State for Education, if her Department will make an assessment of the effect of the abolition of maintenance grants in 2016 on the (a) emotional and (b) financial wellbeing of students.

**Answering member:** Joseph Johnson | **Party:** Conservative Party | **Department:** Department for Education

Students starting full-time courses in the 2016/17 Academic Year on the lowest incomes have benefited from an additional 10.3% of upfront living costs support when compared to the previous

academic year. A full equality analysis of changes to higher education student finance for 2016/17, including the switch from maintenance grants to loans, was published on GOV.UK in November 2015. [Higher Education Student Finance Equality Analysis](#)

27 Mar 2017 | Written questions | Answered | House of Commons

[Schools: Finance](#) (PQ 68304)

**Asked by:** Brabin, Tracy | **Party:** Labour Party

To ask the Secretary of State for Education, how much (a) in total and (b) as a proportion of total annual expenditure paid to students by Student Finance England was spent on non-repayable support paid to students from low income families in England in each of the last seven years.

**Answering member:** Joseph Johnson | **Party:** Conservative Party | **Department:** Department for Education

Statistics covering support paid by Student Finance England (SFE) to English and EU domiciled students are published annually by the Student Loans Company (SLC) in the Statistical First Release (SFR) *'Student Support for Higher Education in England'*.

<http://www.slc.co.uk/official-statistics/financial-support-awarded/england-higher-education.aspx>

Table 3A of the SFR shows how much means-tested support was paid to full-time English domiciled students as non-repayable maintenance grants up to the academic year 2015/16. In the academic year 2015/16, a full maintenance grant was available to students with a household residual income up to £25,000, and a partial grant to those with a household residual income up to £42,620. For comparison, table 2 of the SFR provides an overview of all support awarded to applicants up to the academic year 2015/16.

Larger maintenance loans have been available in place of maintenance grants to help with living costs for full-time students entering higher education since August 2016. Table 6.3 of the SFR shows early indicative data (two months into the academic year) on maintenance grants awarded in the academic year 2016/17. More complete information for the academic year 2016/17 will be published in November 2017.

Other non-repayable targeted support is available to eligible students with disabilities, or with adult or child dependants, however information on the payment of these to students from low income families is not available.

21 Mar 2017 | Written questions | Answered | House of Commons

[Higher Education: Working Class](#) (PQ 59626)

**Asked by:** Timms, Stephen | **Party:** Labour Party

To ask the Secretary of State for Education, what steps her Department is taking to provide financial support to working class students on degree courses which last longer than three years.

**Answering member:** Joseph Johnson | **Party:** Conservative Party | **Department:** Department for Education

Tuition fee loans and maintenance loans are available to undergraduate students for the full length of their courses, including those lasting for four years or more. Support available to those students with the lowest household incomes was increased by over 10% in the 2016/17 Academic Year.

Non-repayable support is also available to students with children or adult dependants, and to students with a disability or specific learning difficulty.

Widening participation in higher education remains a priority for this government. Entry rates to higher education for young people in the most disadvantaged groups have risen to the highest rates on record. The proportion of students from disadvantaged backgrounds entering higher education is up from 13.6% in 2009 to 18.5% in 2015. The latest data for entry in 2016 shows that the application rate for 18 year olds from disadvantaged backgrounds is at a record level.

18 Jan 2017 | Written questions | Answered | House of Commons

[Students: Finance](#) (PQ 59204)

**Asked by:** Phillipson, Bridget | **Party:** Labour Party

To ask the Secretary of State for Education, pursuant to the Answer of 15 November 2016 to Question 52361, what assessment she has made of the potential effect of the student loan repayment threshold freeze on those students who depend on student loans or other financial assistance to fund their studies.

**Answering member:** Joseph Johnson | **Party:** Conservative Party | **Department:** Department for Education

The Government published a full Equality Analysis of the impact of freezing the student loan repayment threshold on 25 November 2015. This followed a public consultation that took place from 22 July 2015 to 14 October 2015.

All borrowers whose earnings are above the repayment threshold will pay around £6 per week more (in nominal terms) by 2020/21. Those individuals with the lowest lifetime earnings will be affected the least, because they will either never earn above the earnings threshold, or will only do so for a limited period of the loan's life.

The full Equality Analysis can be found at:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/479559/bis-15-635-freezing-student-loan-repayment-threshold-equality-analysis.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/479559/bis-15-635-freezing-student-loan-repayment-threshold-equality-analysis.pdf).

18 Jan 2017 | Written questions | Answered | House of Commons |

[Higher Education: Finance](#) (PQ 58703)

**Asked by:** Brake, Tom | **Party:** Liberal Democrats

To ask the Secretary of State for Education, how much financial support was given to higher education institutions by government directly or through the Higher Education Funding Council for England (HEFCE) for widening participation; how much such support was allocated through higher education institutions access agreements for widening participation; and how much of that support was given by government directly or through HEFCE in each financial year from 2010-11 (a) in total and (b) to each such institution in England.

**Answering member:** Joseph Johnson | **Party:** Conservative Party  
| **Department:** Department for Education

Information on the amount of financial support provided to higher education institutions through the Higher Education Funding Council (HEFCE), both on a sector and institutional level, is available on the HEFCE website. It can be found in the 'Student Opportunity Allocations' spreadsheet on the 'Funds for learning and teaching' tab for respective years at <http://www.hefce.ac.uk/funding/annalocns/>.

Information is also available, at both sector and institutional level, on Access Agreement allocations provided to higher education institutions. This can be found via the Office for Fair Access (OFFA) website at <https://www.offa.org.uk/publications/analysis-data-and-progress-reports/> in the 'institutional expenditure and fee levels document', 'key statistics and analysis' and 'access agreement data tables' spreadsheets.

18 Jan 2017 | Written questions | Answered | House of Commons

## 5. Further reading

[Higher Education funding in England: past, present and options for the future](#), Institute for Fiscal Studies briefing, 5 July 2017

[Economics of higher, further and technical education inquiry](#), House of Lords Economic Affairs Committee, accessed 26 February 2018

[Student Loans](#), House of Commons Treasury Committee, 18 February 2018

[The higher education market](#), National Audit Office, 8 December 2018

[Student grants, social mobility and the case against differential fees](#), Million Plus, December 2017

[The undergraduate funding system in England](#), Universities UK, September 2017

[Part-time undergraduate maintenance loan consultation](#), Department for Education, last updated 8 March 2017

[Postgraduate doctoral loans consultation](#), Department for Education, last updated 8 March 2017

[University funding explained](#), Universities UK, 20 July 2016

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