



DEBATE PACK

Number CDP-2017-0218, 23 November 2017

E-petition 182953 relating to university tuition fees

By Sue Hubble
Paul Bolton
Andrew Mackley
Diana Perks

Summary

This House of Commons Library debate pack briefing has been prepared in anticipation of the debate on university tuition fees scheduled for Monday 27 November in Westminster Hall. The debate has been prompted by [e-petition 182953](#) which calls for the following:

Change the University fees from £9250 back to the £3000 fee for the UK.

University fees are rising more and more. £9000 for university fees is too high and the stress of being in debt is what puts individuals off applying for degrees. Now that grants have been removed it makes it difficult for family's who need financial support but can't get that anymore.

This debate pack briefing provides background information, parliamentary material, press articles, and further reading suggestions which Member's may find useful in preparation for this debate.

Higher education tuition fees of £1,000 per year were first introduced by the Labour Government in 1998. These fees were paid upfront by students at the start of the academic year. In 2006 fees were raised to £3,000 and a new system of variable deferred fees and tuition fees loans was introduced.

In 2012 the Coalition Government increased fees to £9,000 per year and in 2017/18 fees rose again to £9,250.

Since 2012 there have been further changes to student finance such as the abolition of maintenance grants and NHS bursaries which have moved student support increasingly away from non-repayable grants and towards loans. The combined effect of these changes has been to increase student debt – the Institute for Fiscal Studies has calculated that students from the poorest backgrounds will accrue debts of £57,000 from a three-year degree.

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.

Contents

1.	Background	2
1.1	History of tuition fee rises	2
1.2	Current tuition fee levels	3
	Fee levels post-2012	4
	Tuition fees in 2017/18	4
1.3	Reason behind current tuition fee levels	6
	Market in fees	6
1.4	Use of higher fee income	6
	Use of additional variable fee income	7
	Value for money of higher education	8
1.5	Impact of increased fees on student debt	9
	Maximum loan amounts	9
1.6	Lowering or abolishing tuition fees	10
	Potential consequences of fee reductions	11
	Cost of abolishing or reducing fees	12
1.7	Higher education tuition fees elsewhere in the UK	13
	Fees for Scottish domiciled students in Scotland	13
	Fees for Welsh domiciled students in Wales	14
	Fees for Northern Irish domiciled student in Northern Ireland	14
2.	Parliamentary material	15
2.1	Debates	15
2.2	Parliamentary inquiries	15
2.3	Written parliamentary questions	15
2.4	Oral statements	19
2.5	Written statements	19
3.	Press articles and notices	27
4.	Further reading	30

1. Background

1.1 History of tuition fee rises

Higher education tuition fees have undergone decades of change and reform since fees were first introduced in the *Teaching and Higher Education Act 1998* following recommendations in the Dearing Review of higher education.

Below is an overview of the significant reforms of university tuition fees.

In 1998 annual tuition fees of £1000 were introduced by the [Teaching and Higher Education Act 1998](#). These fees were paid upfront by students and fee waivers were available for low income students.

In 2006 fees rose to £3,000 per year when the [Higher Education Act 2004](#) abolished upfront tuition fee payments and introduced a new system of deferred variable fees and tuition fee loans. Higher education institutions (HEIs) were able to choose their level of tuition fees up to the maximum of £3,000 per year. In the first year of higher fees nearly all HEIs in England chose to charge the maximum in fees. The 2004 Act established the Office for Fair Access (OFFA) to maintain equal access to higher education for disadvantaged students. Only HEIs with an access agreement in place which had been agreed by OFFA were allowed to charge the highest level of tuition fees.

Tuition fee loans were repaid on a deferred basis by graduates when they earned over a set income threshold.

During the parliamentary stages of the *Higher Education Act 2004* the Government committed to hold a review of the operation of the new tuition fee system three years after it came into operation. This commitment was met by the **2010 Browne Review** – the Review report, [Securing a sustainable future for higher education](#), recommended removing the cap on fees and introducing a more progressive interest rate on loans

Following the Browne review, on 3 November 2010¹, the [Government announced](#) a **reformed system of student funding from 2012** - these changes were broadly based on the recommendations of the Browne Review with certain changes:

- tuition fee cap remained in place but upper limit **raised to £9,000**,
- repayment threshold raised to £21,000
- variable rate of interest on loans introduced (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)

- outstanding repayments written off after 30 years
- commitment given to increase repayment threshold periodically in line with earnings

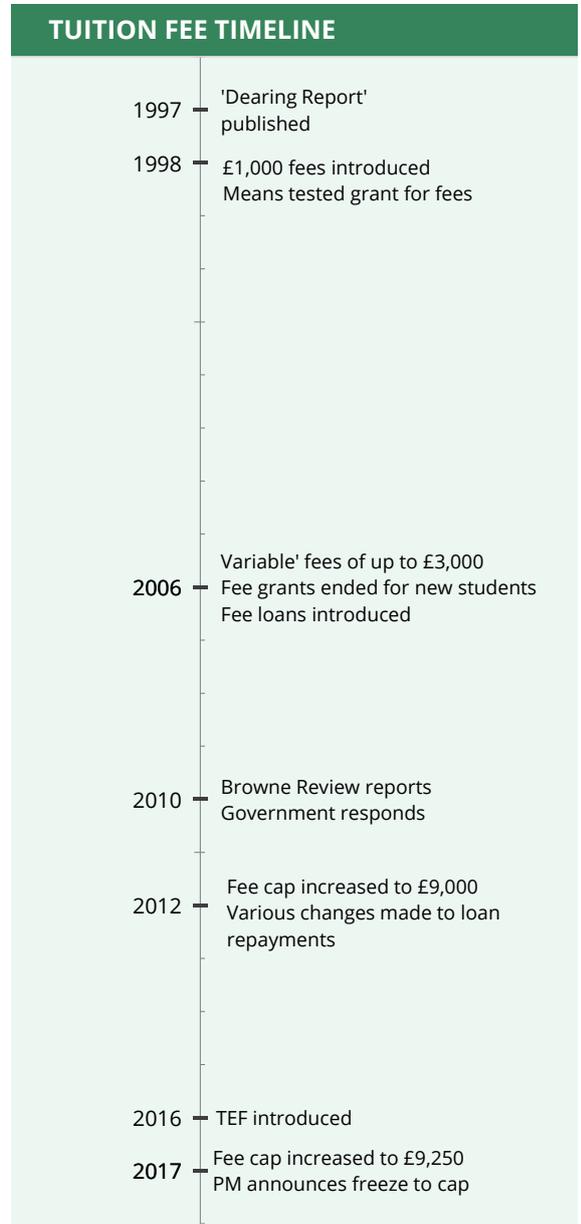
In the Ministerial Statement announcing the 2012 reforms, David Willetts the Minister for Universities and Science said that only in '**exceptional circumstances**' would HEIs charge fees at the upper limit. In the event however nearly all HEIs chose to set fees at, or near the maximum level (as they had done previously in 2006 when the fee cap was raised).

As part of the funding reforms, in the [Sending Review 2010](#)², the Government announced that the **block grant payable to HEIs for tuition would be cut by 40%** to offset the changes – since then tuition for most low cost subjects at HEIs has been funded by students' fee loans.

Other changes to higher education finance since 2012:

- **2015** cap on student numbers removed
- **2016 Teaching and Excellence Framework (TEF)** introduced which would allow HEIs with high quality teaching to raise their fees
- **2016/17 abolition of maintenance grants** and increased maintenance loans
- **Higher Education and Research Act 2017** create a single register for HE providers to open up the system. Alternative providers allowed to charge £9,000 fees
- **2017/18 abolition of NHS healthcare bursaries** – healthcare students to be funding by standard student finance system of loans for fees and maintenance
- **2017/18 fees rise to £9,250** as a result of TEF

All of these reforms have aimed to make higher education funding more sustainable in an era of mass higher education and public deficit reduction. The general trend of reforms has been to shift funding away from Government grants and towards increased student loan finance.



1.2 Current tuition fee levels

In 2012 new entrants to HEIs in England were charged tuition fees of £9,000 per year at institutions with access agreements in place which had been approved by OFFA, or a basic level of fees of £6,000 per year at other institutions without access agreements.

² HM Treasury, [Spending Review 2010](#), p 53 Box 2.3

Fees for part-time students at publicly funded institution were raised to an upper limit of £6,750, and £4,500 at private HEIs.

These fee limits stayed in place until 2017/18.

Fee levels post-2012

The Government's planning assumption for 2012/13 was that average fees for new students would be around £7,500 per year after fee waivers.³ The first analysis of university plans by OFFA found that the majority of universities would have a maximum fee of £9,000 and more than one third would have an average of £9,000. They estimated that the average headline fee for new students in 2012/13 would be £8,385 or £8,123 after the fee waivers.⁴

The maximum fee cap was kept at £9,000 up to 2016/17, and average fees have increased each year. OFFA analysis of subsequent plans show the average headline fee increased to £8,499 in 2013/14 (£8,246 after waivers), £8,647 in 2014/15 (£8,425 after waivers)⁵ and £8,844 in 2015/16 (£8,774 after waivers) and £8,905 in 2016/17 (£8,871 after waivers).^{6 7} The increase is due to a combination of increases in headline fee levels (for those charging below £9,000) and a reduction in fee waivers.

139 of the 183 institutions (76%) with 2016-17 access agreements had a maximum headline (pre-waiver) fee of £9,000. The large majority of institutions with lower maximum fees were further education colleges and **only one university had maximum fees below £9,000**.⁴⁷ institutions had an average headline fee of £9,000 and hence planned to charge the maximum for all their courses. All of these were universities, therefore **36% of universities planned to charge £9,000 for all their courses**.⁸

Tuition fees in 2017/18

On 21 July 2016 Jo Johnson the Minister for Universities and Science [announced](#) fees to rise to **£9,250** for the academic year 2017/18 at HEIs awarded a rating under Year One of the Teaching and Excellence Framework (TEF):

- For publicly funded providers that have achieved a TEF rating of Meets Expectations and have an access agreement with the Office for Fair Access (OFFA), the maximum tuition fee cap for full-time courses will be £9,250 in 2017-18. For publicly funded providers that have achieved a TEF rating of Meets Expectations but do not have an access agreement with OFFA, the maximum tuition fee cap for full-time courses will be £6,165 in 2017-18. For publicly funded providers that have not achieved a TEF rating of Meets

³ *Higher education funding for 2011-12 and beyond*, BIS (December 2010)

⁴ *Access agreements 2012-13: Final data including initial teacher training*, OFFA

⁵ OFFA press release 26 July 2012, [OFFA announces decisions on 2013-14 access agreements](#)

⁶ [Access agreements for 2016-17: key statistics and analysis](#), OFFA

⁷ [2017-18 access agreements: institutional expenditure and fee levels](#), OFFA

⁸ *ibid.*

Expectations, maximum tuition fee caps for full-time courses in 2017-18 will be £9,000 and £6,000, the same as in 2016-17.⁹

The fee rises were brought in under the [Higher Education \(Basic Amount\) \(England\) Regulations 2016](#) SI No 1205 and the [Higher Education \(Higher Amount\) \(England\) Regulations 2016](#). SI No 1206¹⁰

In 2017/18 121 of the 123 higher education institutions with access agreements charged the maximum headline fee of £9,250, 36 will charge this new higher cap for all courses. The average fee is expected to exceed £9,000 for the first time at £9,110 for higher education institutions or £9,090 after waivers.¹¹

The Government expects that the total annual face value of tuition fee loans will increase from £2.6 billion in financial year 2011-12 to £9.0 billion in 2017-18.¹² This total has continued to increase as more institutions have charged the maximum fee, student numbers have increased (linked in part to the 2013 Autumn Statement announcement to remove the cap on student numbers) and the new higher cap in 2017/18 was introduced.¹³

Alternative providers

All the figures above include loans made to alternative¹⁴ as well as public providers.¹⁵ From 2012 new students at alternative providers could apply for a fee loan of up to £6,000. Alternative providers are not covered in the earlier OFFA figures which may in part explain why the average loan figures are lower. In 2012/13 the average fee loan paid to students at these providers was around £4,900. This increased to £5,350 in 2014/15. There is some lag in final (payment) data from these providers, but the provisional 2015/16 average paid was £4,500, this compares to an average payment of £8,200 to post-2012 students at public providers in 2015/16.¹⁶

EU students

Students from the rest of the EU are eligible for fee loans on the same basis as home students. In 2011/12 £104 million was paid in fee loans to EU students on full-time courses in England, 3.7% of the total. This increased to £347 million in 2015/16. The amount awarded in 2015/16 (up to mid-November) was £393 million. The proportion of the total value awarded has increased to 4.5%.¹⁷

⁹ [HC Deb 21 July 2017 c 33 WS](#)

¹⁰ Explanatory Memoranda for the regulations have been published [TNA/EM/10-2015](#)

¹¹ Ibid.

¹² Higher education funding for 2016-17, and earlier, BIS/HEFCE

¹³ See [HE in England from 2012: Student numbers](#) for more details

¹⁴ A provider of higher education courses designated for student support which does not receive funding from the Higher Education Funding Council for England or equivalent bodies or direct public funding.

¹⁵ An institution that provides higher education courses which is in direct receipt of money from HEFCE/equivalents, in receipt of direct public funding or FE colleges.

¹⁶ SLC statistical first release 5/2016 *Student support for higher education in England 2016*

¹⁷ SLC statistical first release 5/2016 *Student support for higher education in England 2016*

1.3 Reason behind current tuition fee levels

Tuition fee levels are loosely based on the cost of providing higher education courses. Over time fees have risen and these rises have tended to occur as a result of a combination of factors such as: economic pressures, calls by HEIs for increased funding, or Government attempts to rebalance the model of higher education funding.

Cost of provision

Higher education funding in England is allocated by the Higher Education Funding Council for England (HEFCE). To calculate each HEI's teaching allocation HEFCE uses a formula which bands subjects into four price groups: A - clinical stages of medicine, dentistry and veterinary science, B - laboratory-based subjects, C - subjects with a studio, laboratory or fieldwork element and D - all other subjects.

In 2010-11 HEFCE allocated the following teaching funding per student in each group: A £15,804, B £6,717, C £5,136, and D £3,951.¹⁸ In 2011-12, the last year before the 2012 reforms, tuition fees were £3,375 per year. In 2011-12 HEIs would therefore have been receiving funding of around £19,100 for an A group student, £9,000 for a B group student, £8,500 for a group C student and £7,300 for a group C student.

Since 2012-13 HEFCE has stopped funding subjects in groups C¹⁹ and D and reduced funding for subjects in groups A and B.²⁰ In 2012 HEFCE provided HEIs with £10,000 for group A students, £1,500 for group B, £250 for a few group C students and nothing for other students. HEIs charging the maximum fee of £9,000 in 2012 could therefore have received an increase in funding for group B, C and D students and may have received reduced funding for group A students.

Market in fees

When the fee cap was raised to £9,000 it was anticipated that this would create a market in fees. In the event this did not happen. Dr Gavan Conlon from London Economics in his evidence to the inquiry by the House of Lords Select Committee on Economic Affairs suggested that because the £9,000 fees were backed by Government loans there was 'no incentive for universities to charge anything other than £9,000'. He further said that institutions charging less could be considered to be offering 'lower quality qualifications'.²¹

1.4 Use of higher fee income

In 2013 Universities UK published a report, [Where student fees go](#). The report stated that higher fee income was being used by HEIs to improve facilities, teaching, advice, student support, learning and social spaces. It

¹⁸ HEFCE September 2010/24, [Guide to funding How HEFCE allocates its funds](#), September 2010 para 76

¹⁹ Some subjects in group C may be funded if the sector average costs are more than £7,500 per year

²⁰ HEFCE June 2011/20, [Teaching funding and student number controls Consultation on changes to be implemented in 2012-13](#), June 2011 p4 para5

²¹ House of Lords Select Committee on Economic Affairs. Corrected oral evidence: The Economics of Higher, Further and Technical Education, 24 October 2017 Q 22

also stated that HEIs had increased the amount that they spent on widening participation in the form of outreach activity and student support.

A Universities UK, webpage [What do universities spend their money on?](#) 16 November 2016 gives further detail on how HEIs spend their income.

Use of additional variable fee income

OFFA has published annual analysis of the use of additional fee income since 'variable' fees came in in 2006. This section summarises their analysis. More detail is given in the briefing paper [Tuition Fee Statistics](#).

Pre-2012

Total additional variable fee income to English institutions was £1.9 billion in 2011/12. £387 million (20%) of this was spent on financial support for lower income students (mainly bursaries) and under-represented groups and £57 million (3%) on additional outreach. In that year 442,000 students received a bursary; this was 45% of students who were liable for higher fees. Three-quarters of bursary holders received one because they were in receipt of full state maintenance support.²² The average bursary for new students within this group was £915 in 2011/12. The average bursary for these students fell slightly in 2011/12 as did the percentage of higher fee income spent on access measures. Spending on outreach increased by around a quarter.²³

2012 onwards

Institutions which planned to charge fees of more than £6,000 for new students from 2012/13 had to have an access agreement approved by OFFA. Analysis of access agreements for new students from 2012/13 projected that access spending by higher education institutions would increase from an estimated £400 million in 2011/12 to around £630 million in 2015/16. This would be an increase of around 40% in real terms. Much of the increase in spending was expected to be in fee waivers, outreach programmes and measures to increase retention.

The requirement for a minimum bursary for students on a full grant was removed for new students from 2012. Expenditure on bursaries, scholarships and other cash and in-kind measures that directly benefit students was expected to fall by £52 million between 2011/12 and 2015/16, even after funding from the Government's National Scholarship Programme was included.²⁴ This would be a fall of 23% in real terms.²⁵

Analysis of later access agreements gave higher actual spending levels in the first few years of the new regime and continued planned increases in spending to the end of the latest agreements. Spending totalled £725

Institutions have shifted their Access Agreement spending away from fee waivers and other types of financial support and towards schemes to improve access, retention and outcomes

²² Household income of less than £25,000 for continuing students.

²³ *Access agreement and widening participation strategic assessment 2011-12 and National Scholarship Programme 2012-13 (in-year) monitoring outcomes*, OFFA/HEFCE

²⁴ *Access agreements 2012-13: Final data including initial teacher training*, OFFA

²⁵ Prices adjusted using September 2012 GDP deflators from HM Treasury and OBR projections of GDP deflators.

million in 2014-15 and is planned to be just over £780 million in 2017/18. The balance of expenditure has also shifted from that in 2012/13 and plans made at the time. There was criticism that too much access agreement expenditure was on fee waivers (which can eventually benefit the public sector as much as, or more than, the individual graduate).

The 2017/18 spending on waivers is planned to be £20 million and is expected to fall to further in the medium term. The number of institutions offering waivers fell from 131 in the 2014/15 access agreements to around 50 in the 2017/18 ones.

Overall spending on financial support of all types (including bursaries/scholarships, accommodation discounts and hardship funds) is planned to be £412 million in 2017/18 (53% of total access agreement spending). The remainder is to be spent on initiatives to improve access to higher education, retention and outcomes after undergraduate study among disadvantaged groups. It is these latter areas where spending has increased, or is planned to increase. They made up 26% of Access Agreement spending in 2012/13 and are planned to be 51% in 2017/18 and 47% in the longer term.²⁶

Value for money of higher education

The results of the annual [Higher Education Policy Unit and the Higher Education Academy student experience study in 2017](#) showed that just 35% of respondents believed their higher education experience represented 'good' or 'very good' value for money. The number of students saying their university was 'poor' or 'very poor' value had almost doubled in five years.

On 15 September 2017 the House of Commons Education Committee launched an inquiry into [Value for money in higher education](#). The inquiry will examine the use of graduate outcomes data, social justice and progression of disadvantaged students in higher education, and the quality of teaching across institutions.

The Chancellor of the Exchequer touched on fees and value for money of higher education in September 2017 when he evidence to the [House of Lords Select Committee on Economic Affairs](#):

As far as I am aware, there are no alarm bells at the moment telling me that we should review value for money from a policy perspective. There is clearly another aspect, which is value for money to the individual, and the situation the individual finds themselves in. There is a significant difference between a graduate who leaves university with a significant level of debt and a well-recognised degree in an area known to provide strong employment opportunities and, on the other hand, a graduate who has a similar level of debt but may not have a degree that will enhance his or her employment opportunities in the same way.

²⁶ [2017-18 access agreements: institutional expenditure and fee levels](#), (and earlier), OFFA

We have a responsibility to look at the way the system is working in practice. It is probably fair to say that the original expectation was that there would be a bigger range of outcomes in relation to fees charged than has actually turned out to be the case.²⁷

1.5 Impact of increased fees on student debt

In July 2017 the Institute for Fiscal Studies (IFS) published a report on the impact of changes to the student support system since 2011, [Higher Education funding in England: past, present and options for the future](#).

The report said that the higher fees in 2012 had contributed to students now graduating with **average debts of £50,000**:

- Under the 2017 system, average debt on graduation is just over £50,000. This is more than double the average debt students would have been set to face had the system remained unchanged from 2011. The vast majority of this difference is explained by the large increase in tuition fees in 2012, which increased average debt to more than £47,000.²⁸

The IFS report also states that the abolition of grants has added to the levels of student debt:

- The combination of high fees and large maintenance loans contributes to English graduates having the highest student debts in the developed world. The 2015 policy that replaced maintenance grants with loans means students from the poorest backgrounds will accrue debts of £57,000 (including interest) from a three-year degree. Their 'cash in pockets' has been protected, but now it is almost entirely in loans rather than free cash.²⁹

The increased debt will lead to higher numbers of graduates having some debt written off at the end of the repayment period (30 years for 2012 graduates):

- under the current system, more than three-quarters of students can expect to have some debt written off, up from around 40% under the 2011 system.³⁰

The IFS report suggests that 'increased levels of debt may have adverse consequences for future participation if lower-earning graduates are debt averse and are deterred by the high headline debt levels on graduation.'³¹

Maximum loan amounts

A student starting a three year course in England in 2017/18 could take out a maximum fee loan of £9,250 and a maintenance loan of between £3,900 and £8,400 depending on their household income.

Maintenance loan levels are higher in London, up to £11,000 for those

²⁷ House of Lords Select Committee on Economic Affairs [Corrected oral evidence: Chancellor of the Exchequer annual evidence session](#), 12 September 2017 Q.4

²⁸ IFS Briefing Note BN211, [Higher Education funding in England: past, present and options for the future](#), July 2017 p17

²⁹ *Ibid* p2

³⁰ *Ibid* p19

³¹ *Ibid* p33

with a household income of below £25,000. Assuming a student took out the maximum loan then the combined value of fee and maintenance loan debt could be between £44,000 and £59,000 when the borrower first becomes liable for repayments³² or as much as £68,000 in London.^{33 34}

The briefing paper [The value of student maintenance support](#) gives more details on how loan amounts vary with income and changes to maintenance loans and grants over time.

Debts on graduation

There was a large jump in the average amount owed by those who first became liable to repay from 2010 onwards. These cohorts were the first to mainly consist of students who had taken out fee loans for variable fees. The average amount owed by the 2009 cohort (when first liable to repay) was £11,800, £14,700 for the 2010 cohort, £16,200 for the 2011 cohort, rising to a provisional figure of £24,500 for the 2016 cohort.

The first large cohort of borrowers who took out loans under the post-2012 system was the 2016 cohort, but the average is lower than might be expected as it includes borrowers under the pre-2012 arrangements and part-time students. The provisional figure for the 2017 cohort was £32,200.³⁵

1.6 Lowering or abolishing tuition fees

Since 2012 there has been considerable debate about the level of university tuition fees and many commentators have suggest that tuition fees should be lowered or even abolished.

Tuition fees became an area of debate in the 2015 General Election when the Labour Party included in their manifesto a pledge to abolish university tuition fees:

- Labour will reintroduce maintenance grants for university students, and we will abolish university tuition fees.³⁶

In July 2017 Lord Adonis who was Education Minister and head of policy in the Labour Government when tuition fees were raised in 2006 made statements in which he criticised the current level of tuition fees and suggested that fees should be abolished.³⁷

³² The April after completing their course

³³ Includes RPI-linked increases in loan maxima.

³⁴ [Financial Memorandum - Loan, Grant and Tuition Fee Rates for Academic Year 2017/18](#), SLC

³⁵ SLC statistical first release 1/2017 [Student loans for higher education in England - financial year 2016-17](#)

³⁶ Labour Party Manifesto 2017, [For the many not the few](#) p43

³⁷ ["I put up tuition fees. It's now clear they have to be scrapped"](#), *The Guardian*, 7 July 2017

In September 2017 it was suggested in various articles that the Chancellor of the Exchequer might reduce fees to £7,500 in the Budget.³⁸

However it has been suggested that just abolishing fees will not solve many of the current issues with the student funding system.

The president of the NUS, Shakira Martin, said in her evidence to the House of Lords Economic Affairs Committee that simply abolishing fees would not help students:

- I want to be clear: just scrapping tuition fees will not solve the problem. It is about maintenance support. Scotland is a prime example. It has no tuition fees, and students are still struggling. It is important to reinstate maintenance grants. I believe we should have an urgent review of the funding system across the whole of tertiary education, with students at the centre, as part of the discussion, able to bounce ideas off one another.³⁹

A report by a think tank UK2020, [Defusing the debt time bomb](#), October 2017 also said the abolishing fees would not solve funding problems:

- Scrapping fees has an attractive simplicity, but this is superficial. The cost would go far beyond the immediate £12.7bn hit to the government's annual deficit¹⁰ from going back to using direct taxpayer spending to fund universities.
- The policy would throw away the advantages and potential of a properly functioning fee system and ignores why it was first introduced. Student choice would once again be curtailed and the opportunities for those from the lowest- income families would shrink.⁴⁰

Potential consequences of fee reductions

Reducing or abolishing fees would have consequences for student numbers and university funding.

It has been suggested that lowering fees may result in a cap being put back on student numbers. The cap on numbers of students was removed in 2015. The UK202 report stated that "reintroducing restrictions on numbers could rein in spending"⁴¹ and this might be necessary due to the loss in university income from fees.

³⁸ "[Chancellor Philip Hammond set to slash university tuition fees by £5,000](#)", *The Times*, 17 September 2017

³⁹ House of Lords Select Committee on Economic Affairs, [The Economics of Higher, Further and Technical Education Corrected oral evidence](#) 17 October 2017, Q18

⁴⁰ UK2020, [Defusing the debt time bomb](#), October 2017 p12

⁴¹ *ibid*

Cost of abolishing or reducing fees

Any cut in tuition fee levels would clearly have a direct and immediate impact on universities. If it is assumed that this loss of income is replaced £-for-£ by direct funding from the public sector then the cost is faced by the public sector. This paper does not look at whether this cost would be met by increased borrowing, cuts in other areas of spending, higher existing taxes, new taxes (such as a graduate tax) or a combination of these. It only provides some calculations based on a set of simplifying assumptions about costs and student numbers

With current student numbers each £1,000 cut in fees would see around £1 billion shifted from loans to direct funding

The current level of tuition fee income from regulated fees is around £9 billion.⁴² Abolishing fees entirely would mean that this income would need to be replaced entirely (under the £-for-£ assumption) by direct public funding. This implicitly assumes that student numbers do not change. This is unrealistic with the current policy on student numbers, where no cap applies, but helps to simplify the calculations. An alternative way of thinking about this is to say free tuition means you have to cap student numbers at current levels

Under these assumptions each £1,000 cut in fees would mean around £1 billion in fee income would need to be replaced by direct funding.

What is the impact on the public finances?

The shift from fee income to direct funding on a £-for-£ basis would effectively move the funding stream from publicly supported tuition fee loans to grant funding in a reversal of the trends shown in section 6. The cash (needed to 'compensate') universities would still come from the public sector, but just without the prospect of some of it being repaid to the state at a later date.

Under current accounting rules student loans do not count towards the deficit. This means that all additional direct funding would increase the deficit by the same amount.⁴³ However, public sector debt would not be affected in the short to medium term because the state would need the same amount of cash to pay to universities and the national debt is based on cash flows. In the longer term the debt would also increase with lower fees because of the loss of repayments linked to fee loans.

The Government estimates that the value of loan repayments is 75-80% of the face value of loans in discounted terms. This can be used to estimate the economic or longer term costs of abolishing or cutting fees. This is 20-25%⁴⁴ of their face value,⁴⁵ so, under the assumptions set out earlier, this is £200-250 million per year for each £1,000 cut in fees.

⁴² English students and EU students at English universities

⁴³ Before any other changes to spending or taxes are included

⁴⁴ PQ HL 5098 [on Mature students: Loans] 18 January 2016

⁴⁵ Current (discounted) value of the amount not repaid, or the RAB rate

Why might these costs vary?

Costs would clearly be lower if a cap was reintroduced at a level below current numbers. Equally costs would be higher if there was no cap and student numbers increased in response to lower/no fees. It could also be argued that the £-for-£ compensation for universities may not have to apply. Universities that charge fees of over £6,000 have to have a set of actions agreed to improve access from disadvantaged groups (financial support, outreach etc.). It might be argued that scrapping fees, or reducing them below a certain level, means they need to spend less on access and hence do not need to be compensated in full for the loss of fee income. The fee levels at which this might apply and any possible cut in access spending are very much open to question.

The lowest earning graduates would not benefit from lower fees. Their loan repayments would stay the same.

Impact on students/graduates

Lower fees would mean smaller loans so lower loan repayments in the future. This benefit would be felt after (smaller) loans are repaid in full so would generally go to graduates later on in their careers, depending on the size of the fee cut. The exception is lower paid graduates, those who still were unable to repay their debt in full, who would not benefit.

If a cap had to be imposed to limit the costs of such a system then potential students who missed out on a place would also pay a cost of sorts. Similarly if no cap were imposed and lower/no fees meant an increase in students then these 'new' students would benefit.

Some potential students could miss out on a place if numbers had to be controlled to limit costs of lower fees

1.7 Higher education tuition fees elsewhere in the UK

Higher education is a devolved matter and each jurisdiction has created its own student fees and finance arrangements so that very different systems exist across the UK.

Each nation of the UK has chosen to subsidise their own students who study at home (except Welsh students who are supported to study anywhere in the UK). English students studying in these nations, therefore, pay higher fees than local students in that area.

Fees for Scottish domiciled students in Scotland

Information on student funding in Scotland is available on the [Students' Awards Agency for Scotland](#) (SAAS) website. Tuition fees for full-time Scottish students on a standard undergraduate course, at a Scottish HEI, in 2017/18 are £1820 per year. Students may apply to the SAAS to have these fees paid for them by the Scottish Government, so Scottish students studying in Scotland **do not pay tuition fees**.

The free fees policy in Scotland has been discussed by many commentators most noticeably by academic Lucy Blackman Hunter who has suggested that free fees benefit middle-class students the most⁴⁶ It has also been suggested that the free fees policy is unsustainable and has led to the underfunding of Scottish universities and rising debt

⁴⁶ ["Free tuition in Scotland benefits wealthiest students the most – study"](#) *The Guardian* 29 April 2014

among poorer students.⁴⁷ The Scottish Government is currently conducting a review of student funding - [Independent Review of Financial Support for Students in Scotland](#).

Fees for Welsh domiciled students in Wales

Student finance in Wales is administered by [Student Finance Wales](#). In 2017/18 students who are domiciled in Wales receive a package of fee support which includes:

- Tuition Fee Loan to cover the first **£4,046** of tuition fees
- Fee Grant of up to £4,954 to cover the difference in fees up to £9,000 per year.

Fees for Northern Irish domiciled student in Northern Ireland

Student funding in NI is administered by [Student Finance NI](#). In 2017/18 full-time undergraduate tuition fees for Northern Irish students studying in Northern Ireland are **£4,030 per year** – students who chose to study elsewhere in the UK are liable for fees of up to £9,250 per year.

⁴⁷ ["Can Scotland carry on with its free-tuition policy?"](#), *Times Higher Education*, 15 December 2016

2. Parliamentary material

2.1 Debates

- Higher Education (England) Regulations [[HC Deb 13 September 2017 cc905-946](#)]
- Tuition Fees [[HC Deb 19 July 2017 cc879-924](#)]
- Tuition Fees [[HC Deb 18 July 2017 cc722](#)]
- Higher Education: Loans [[HL Deb 5 April 2017 cc1101-1118](#)]
- Higher Education and Research Bill (Second reading) [[HL Deb 6 December 2016 cc610-726](#)]
- Higher Education and Research Bill (Second reading) [[HC Deb 19 July 2016 cc703-795](#)]

2.2 Parliamentary inquiries

There are currently three parliamentary inquiries scrutinising aspects of the higher education system including tuition fees.

- **House of Lords Select Committee on Economic Affairs**

The House of Lords Committee on Economic Affairs is conducting an inquiry – the [Economics of higher, further and technical education](#). The inquiry will investigate how post-school education is funded and whether it is focused sufficiently on the skills which the British economy requires.

- **House of Commons Education Committee**

On 15 September 2017 the Education Committee launched an inquiry [Value for money in higher education](#).

- **House of Commons Treasury Committee**

The Treasury Committee launched an inquiry [Student Loans](#) on 14 October 2017. The Committee will scrutinise recent changes to the student loan system, including the repayment threshold, interest rates, tuition fees, and the impact on university finances.

2.3 Written parliamentary questions

- [Students: Loans](#)

Asked by: Brock, Deidre

To ask the Secretary of State for Education, what information her Department hold on how much and what proportion of outstanding student loan debt owed by students attributable to tuition fee payments.

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

Statistics covering English student loans are published annually by the Student Loans Company (SLC) in the Statistical First Release (SFR) 'Student Loans in England'.

<http://www.slc.co.uk/official-statistics/full-catalogue-of-official-statistics/student-loans-debt-and-repayment.aspx>.

Information on English higher education loans outstanding can be found in Table 1a of the SFR. A breakdown showing the proportion attributable to tuition fee loans is not available in the requested format.

16 Oct 2017 | Written questions | Answered | House of Commons | 105792

- [Students: Fees and Charges](#)

Asked by: Burghart, Alex

To ask the Secretary of State for Education, what estimate she has made of the cost of abolishing university tuition fees.

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

The Institute for Fiscal Studies (IFS) has estimated that abolishing tuition fees would increase the fiscal deficit for the 2017/18 student cohort by around £11bn, with the long-term cost of student funding increasing by around £6.5bn.

The major reforms to English higher education in 2012 have significantly increased average per-student funding. Graduates do not start repaying loans until their annual incomes reach £21,000, and loans are written off after 30 years.

By enabling English universities to charge current tuition fees, the Government no longer has to ration access to higher education via a cap on student numbers. This enables it to offer more places, including to young people from disadvantaged backgrounds, who are now going to university at a record rate – they are 43% more likely to go to university 43% more likely to go to university than they were in 2009.*

Graduates earn, on average, substantially more than people with A levels who did not go to university.

Various pieces of research show that Higher Education graduates earn, on average, at least £100,000 more over their lifetimes than those without a degree but with 2 or more A-Levels. The most recent BIS commissioned research shows that, on average, a male graduate could expect to earn £170,000 more and a female graduate £250,000 more over their lifetimes, than someone without a degree but with 2 or more A-levels, net of tax and other costs (2012 prices).

Abolishing tuition fees would be socially regressive: as well as unfairly burdening the general taxpayer, it would benefit mainly those students going on to well-paid jobs, who repay their loans in full.

*<https://publications.parliament.uk/pa/ld201617/ldselect/ldsecleg/92/9207.htm>

07 Aug 2017 | Written questions | Answered | House of Commons | 1620

- [Higher Education: Disadvantaged](#)

Asked by: Rayner, Angela

To ask the Secretary of State for Education, what assessment she has made of the effect of (a) rising tuition fees and (b) the abolition of maintenance grants on the increasing proportion of students from disadvantaged backgrounds who are dropping out of higher education; and if she will make a statement.

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

The Department for Education published an equality analysis in May 2016, to cover the reforms set out in the Success as a Knowledge Economy White Paper, that were subsequently taken forward through the Higher Education and Research Act (2017).

This included an assessment of the impact of allowing institutions who were successful in the Teaching Excellence Framework (TEF) assessment process to increase their fees up to inflation.

The Department also published in December 2016 an Equality Analysis for the 2017/18 student finance package, which covered both the increase in fees and accompanying loan support.

These assessments concluded that this change was unlikely to significantly alter participation decisions. 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.

A copy of the Equality Analysis – Higher Education and Research Bill (published May 2016) is available here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/524226/bis-16-281-he-research-bill-equality-analysis.pdf

A copy of the Equality Analysis for the Student Support and Fee Regulations (published December 2016) is available here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/577420/Equality_Analysis_for_Student_Support_Regulations_2016.pdf.

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.

The equality analysis for the 2016/17 student support regulations assessed the impact of this policy change, including the impact on students from low income backgrounds.

A copy of the Student Finance Equality Analysis – The Education (Student Support) (Amendment) Regulations 2015 (published November 2015) is available here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482110/bis-15-639-student-finance-equality-analysis.pdf.

Non-continuation rates for UK students at English Higher Education Institutions are lower than in 2009/10, including for the most disadvantaged students. Analysis by the Higher Education Funding Council for England (HEFCE) has found that students' age, subject studied and entry qualifications account for a substantial portion of the gap between the most and least disadvantaged students. The analysis is available here:

<http://www.hefce.ac.uk/analysis/ncr/nhe/>.

Young people from the poorest areas are now 43% more likely to go to university than they were in 2009/10. Not only are application rates among 18-year-olds in England at record highs, but drop-out rates for young, mature, disadvantaged and BME students are all lower now than they were when the coalition government came to power in 2010.

By measuring retention rates as one of its core metrics and requiring all participating providers to submit a statement for fair access, the TEF aims to recognise those institutions that do the most to welcome students from a range of backgrounds and support their retention and progression to further study or a graduate job.

We want to continue to see reduced non-continuation rates for all students. The Higher Education and Research Act 2017 requires institutions to publish admissions and retention data by gender, ethnicity and socio-economic background, and this greater transparency will help the Higher Education sector make further progress to build on what has already been achieved. We are working closely with HEFCE and the Director of Fair Access to target resources effectively and to ensure that universities take more responsibility for widening access and retention for students from disadvantaged backgrounds, prioritising activities that demonstrate the greatest value for money.

25 Jul 2017 | Written questions | Answered | House of Commons | 4520

- [Students: Fees and Charges](#)

Asked by: Davies, Philip

To ask the Secretary of State for Education, what assessment she has made of the potential trends in the cost of tuition fees to students over the next 10 years.

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

The Teaching Excellence Framework (TEF) will allow institutions offering high quality teaching to access tuition fees up to an RPI(X) inflation linked maximum fee cap.

Students on courses starting from August 2017 will be affected if the successful institutions choose to increase their fees towards the higher fee cap. These students will not be affected in real terms as tuition fees will not increase by more than inflation.

16 Sep 2016 | Written questions | Answered | House of Commons | 43949

2.4 Oral statements

- Higher Education Funding [[HC Deb 11 October 2017 cc335-344](#)]
- Student Finance [[HL Deb 11 October 2017 cc321-325](#)]

2.5 Written statements

- [Student finance update](#)

I am today confirming the earnings threshold above which individuals are required to make contributions to the cost of their education from April 2018. I am also confirming the maximum tuition fees for the 2018/19 academic year.

Earnings threshold

The earnings threshold will be increased from 6th April 2018. From its current level of £21,000 the threshold will rise to £25,000 for the 2018-19 financial year. Thereafter it will be adjusted annually in line with average earnings.

The new threshold will apply to those who have already taken out and will take out loans for tuition and living costs for full time and part time undergraduate courses in the post-2012 system and those who took out or will take an advanced learner loan for a further education course.

The lower threshold for variable interest rates for post-2012 student loans will also rise to £25,000 on 6th April 2018, and the upper threshold will rise to £45,000 from £41,000 on the same date. Both the repayment and variable interest thresholds will be adjusted annually in line with average earnings thereafter. In 2018-19 around 600,000 borrowers will benefit from the threshold changes. Most of those 600,000 borrowers will both make lower contributions and have a lower rate of interest applied.

The repayment thresholds applicable to pre-2012 student loans, the older mortgage style loans and master's loans are not affected by these changes.

Tuition fees

Maximum tuition fee caps will be maintained at 2017/18 academic year levels in the 2018/19 academic year.

For HEFCE funded providers that have a current Teaching Excellence Framework (TEF) award and have an access agreement with the Office for Fair Access (OFFA), the maximum tuition fee for full-time courses will

remain £9,250 in 2018/19. For HEFCE funded providers that have a current TEF award but do not have an access agreement with OFFA, the maximum tuition fee for full-time courses will be £6,165 in 2018/19. For HEFCE funded providers that do not have a current TEF award, the maximum tuition fee for full-time courses in 2018/19 will remain £9,000 for providers with an OFFA access agreement and £6,000 for providers without an OFFA access agreement.

Maximum fee loans for all new students and eligible continuing students who started their full-time courses at publicly funded providers on or after 1 September 2012 will be maintained at £9,250 in 2018/19 academic year.

For continuing students who started their full-time courses before September 2012, maximum tuition fee and fee loan caps at publicly funded providers in 2018/19 will be maintained at £3,465.

For HEFCE funded providers that have a current TEF award and have an access agreement with OFFA, the maximum tuition fee for part-time courses will be £6,935 in 2018/19. For HEFCE funded providers that have a current TEF award, but do not have an access agreement with OFFA, the maximum tuition fee for part-time courses will be £4,625 in 2018/19. For HEFCE funded providers that do not have a current TEF award, the maximum tuition fee for part-time courses in 2018/19 will be £6,750 for providers with an OFFA access agreement and £4,500 for providers without an OFFA access agreement.

Maximum fee loans for all new students and eligible continuing students who started their part-time courses at publicly funded providers on or after 1 September 2012 will be maintained at £6,935 in 2018/19.

For all new students and eligible continuing students who started their full-time courses on or after 1 September 2012 and are undertaking courses at private providers that have a current TEF award, the maximum fee loan will be £6,165 in 2018/19. For private providers that do not have a current TEF award, the maximum fee loan for full-time courses will be £6,000 in 2018/19.

For all new students and eligible continuing students who started their part-time courses on or after 1 September 2012 and are undertaking courses at private providers that have a current TEF award, the maximum fee loan will be £4,625 in 2018/19. For private providers that do not have a current TEF award, the maximum fee loan for part-time courses in 2018/19 will be £4,500.

The Government will set out further steps on HE student financing in due course.

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

Member: Joseph Johnson

Department: Department for Education

- [Higher Education Student Finance](#)

I am today announcing student finance arrangements for higher education students undertaking a course of study in the 2017/18 academic year beginning in August 2017.

Teaching Excellence Framework.

As stated in the Government's White Paper "Success as a Knowledge Economy: Teaching Excellence, Social Mobility and Student Choice", published on 16 May 2016, from 2016/17 the Government is introducing a Teaching Excellence Framework (TEF) to provide clear information to students about where the best provision can be found and to drive up the standard of teaching in all higher education providers.

In Year One of TEF (2016/17), all higher education providers who have met the eligibility criteria set out in the Government's White Paper will receive a rating of Meets Expectations. This TEF award will carry financial incentives, as detailed below, for 2017/18 which will last for one year only. A provisional list of providers achieving this rating in Year One was published on 07 July 2016 on Gov.uk[1].

The following sections provide details on the maximum tuition fee and fee loan caps in 2017/18 for higher education courses at providers that have been awarded a rating of Meets Expectations in TEF Year One (2016/17).

Tuition fees and fee loans for full-time higher education courses.

For all new students and eligible continuing students who started their full-time courses on or after 1 September 2012 and are undertaking courses at publicly funded higher education providers that have achieved a TEF rating of Meets Expectations, maximum tuition fee caps will be increased by forecast inflation (2.8%) in 2017/18. For publicly funded providers that have achieved a TEF rating of Meets Expectations and have an access agreement with the Office for Fair Access (OFFA), the maximum tuition fee cap for full-time courses will be £9,250 in 2017/18. For publicly funded providers that have achieved a TEF rating of Meets Expectations but do not have an access agreement with OFFA, the maximum tuition fee cap for full-time courses will be £6,165 in 2017/18. For publicly funded providers that have not achieved a TEF rating of Meets Expectations, maximum tuition fee caps for full-time courses in 2017/18 will be £9,000 and £6,000, the same as in 2016/17.

Maximum fee loans for all new students and eligible continuing students who started their full-time courses at publicly funded providers on or after 1 September 2012 will be increased by forecast inflation (2.8%) to £9,250.

Maximum tuition fee and fee loan caps for students undertaking a work placement year of a Sandwich course either in the UK or abroad will remain at 20% of the maximum applicable full-time fee and fee loan caps in 2017/18. Maximum tuition fee and fee loan caps for students undertaking an Erasmus study or work placement year or a period of

study at an overseas provider that is not an Erasmus year will remain at 15% of the maximum applicable full-time fee and fee loans in 2017/18.

For continuing students who started their full-time courses before September 2012, maximum tuition fee and fee loan caps at publicly funded providers in 2017/18 will be £3,465, the same as in 2016/17.

Tuition fees and fee loans for part-time higher education courses.

For all new students and eligible continuing students who started their part-time courses on or after 1 September 2012 and are undertaking courses at publicly funded higher education providers that have achieved a TEF rating of Meets Expectations, maximum tuition fee caps will be increased by forecast inflation (2.8%) in 2017/18. For publicly funded providers that have achieved a TEF rating of Meets Expectations and have an access agreement with OFFA, the maximum part-time tuition fee cap will be £6,935 in 2017/18. For publicly funded providers that have achieved a TEF rating of Meets Expectations, but do not have an access agreement with OFFA, the maximum part-time tuition fee cap will be £4,625 in 2017/18. For publicly funded providers that have not achieved a TEF rating of Meets Expectations, the maximum tuition fee caps for part-time courses in 2017/18 will be £6,750 and £4,500, the same as in 2016/17.

Maximum fee loans for all new students and eligible continuing students who started their part-time courses at publicly funded providers on or after 1 September 2012 will be increased by forecast inflation (2.8%) to £6,935.

Tuition fee loans for higher education courses at private providers.

For all new students and eligible continuing students who started their full-time courses on or after 1 September 2012 and are undertaking courses at private higher education providers that have achieved a TEF rating of Meets Expectations, the maximum fee loan will be increased by forecast inflation (2.8%) to £6,165 in 2017/18. For private providers that have not achieved a TEF rating of Meets Expectations, the maximum fee loan for full-time courses will be £6,000, the same as in 2016/17.

For all new students and eligible continuing students who started their part-time courses on or after 1 September 2012 and are undertaking courses at private providers that have achieved a rating of Meets Expectations, the maximum fee loan will be increased by forecast inflation (2.8%) to £4,625 in 2017/18. For private providers that have not achieved a TEF rating of Meets Expectations, the maximum fee loan for part-time courses in 2017/18 will be £4,500, the same as in 2016/17.

Loans for living costs for new full-time students and continuing full-time students starting their courses on or after 1 August 2016.

Maximum loans for living costs for new full-time students and eligible continuing full-time students starting their courses on or after 1 August 2016 will be increased by forecast inflation (2.8%) in 2017/18.

For students living away from home and studying outside London, the maximum loan for living costs for 2017/18 will be £8,430. I can confirm that the equivalent loan rates for students living away from home and studying in London will be £11,002; for those living in the parental home during their studies, £7,097; and for those studying overseas as part of their UK course, £9,654.

Loans for living costs for new full-time students and continuing full-time students starting their courses on or after 1 August 2016 who are entitled to certain benefits.

Maximum loans for living costs for new full-time students and eligible continuing full-time students starting their courses on or after 1 August 2016 and who are entitled to benefits will be increased by forecast inflation (2.8%) in 2017/18.

For students who are entitled to benefits who are living away from home and studying outside London, the maximum loan for living costs for 2017/18 will be £9,609. I can confirm that the equivalent loan rates for students who qualify for benefits who are living away from home and studying in London will be £11,998; for those living in the parental home during their studies, £8,372; and for those studying overseas as part of their UK course, £10,746.

Loans for living costs for new full-time students and continuing full-time students starting their courses on or after 1 August 2016 who are age 60 or over at the start of their course.

The maximum loan for living costs in 2017/18 for new full-time students and eligible continuing full-time students starting their courses on or after 1 August 2016 who are age 60 or over on the first day of the first academic year of their course, will be increased by forecast inflation (2.8%) to £3,566.

Maintenance grants and special support grants for full-time students who started their courses before 1 August 2016.

The maximum maintenance grant and special support grant for eligible continuing full-time students who started their courses on or after 1 September 2012 but before 1 August 2016, will be increased by forecast inflation (2.8%) in 2017/18 to £3,482.

The maximum maintenance grant and special support grant for eligible continuing full-time students who started their courses before 1 September 2012, will be increased by forecast inflation (2.8%) in 2017/18 to £3,197.

Loans for living costs for full-time students who started their courses before 1 August 2016.

Maximum loans for living costs for eligible students who started their courses on or after 1 September 2012 but before 1 August 2016, will be increased by forecast inflation (2.8%) in 2017/18.

For students who are living away from home and studying outside London, the maximum loan for living costs will be £6,043. I can confirm that the equivalent loan rates for students living away from home and studying in London will be £8,432; for those living in the parental home during their studies, £4,806; and for those studying overseas as part of their UK course, £7,180.

Maximum loans for living costs for eligible students who started their courses before 1 September 2012 will be increased by forecast inflation (2.8%) in 2017/18.

For students who started their courses before 1 September 2012 and are living away from home while studying outside London, the maximum loan for living costs will be £5,440. I can confirm that the equivalent loan rates for students living away from home and studying in London will be £7,611; for those living in the parental home during their studies, £4,217; and for those studying overseas as part of their UK course, £6,475.

Long Courses Loans.

The maximum long courses (living costs) loans for new and continuing students who are attending full-time courses that are longer than 30 weeks and 3 days during the academic year will be increased by forecast inflation (2.8%) in 2017/18.

Dependants' grants.

Maximum amounts for dependants' grants (adult dependants' grant, childcare grant and parents' learning allowance) will be increased by forecast inflation (2.8%) in 2017/18 for all new and continuing full-time students.

The maximum adult dependants' grant payable in 2017/18 will be increased to £2,834. The maximum childcare grant payable in 2017/18, which covers 85% of actual childcare costs up to a specified limit, will be increased to £159.59 per week for one child only and £273.60 per week for two or more children. The maximum parents' learning allowance payable in 2017/18 will be increased to £1,617.

Part-time grants and loans.

For those students who started part-time and full-time distance learning courses before 1 September 2012 and who are continuing their courses in 2017/18, maximum fee and course grants will be increased by forecast inflation (2.8%) in 2017/18. Maximum fee grants will be increased to £879, £1,054 or £1,321, depending on the intensity of study of the course. Maximum course grants will be increased to £288.

Disabled Students' Allowance.

Maximum grants for full-time and part-time undergraduate and postgraduate students with disabilities will be increased by forecast inflation (2.8%) in 2017/18.

Student support for part-time students starting a second degree course in STEM subjects.

Most students who hold a higher education qualification are currently not entitled to apply for additional fee loan for a second course if that course leads to a qualification that is equivalent or lower in level (ELQ) than their previous Higher Education qualification.

The Government has previously relaxed ELQ rules in order to help people who already hold an honours degree qualification but who wish to retrain in some science, technology, engineering and maths (STEM) subjects. Students studying second degree courses on a part-time basis can already apply for fee loans for part-time second degree courses in engineering, technology or computer science.

I can confirm today that ELQ rules are being further relaxed to allow students wishing to start a second honours degree course on a part-time basis from 1 August 2017 onwards to apply for fee loans towards degree courses in the following additional STEM subjects: subjects allied to medicine; biological sciences; veterinary sciences, agriculture and related subjects; physical sciences and mathematical sciences.

Student support for new students starting courses in nursing, midwifery and the allied health professions on or after 1 August 2017.

I can confirm today that from 1 August 2017, all new undergraduate nursing, midwifery and allied health professional students on pre-registration courses will receive support for fee loans and living costs through the standard student support system, rather than through course fees and NHS bursaries for living costs paid by Health Education England (HEE). These students will therefore be subject to the same general student finance arrangements that apply to other undergraduate students in 2017/18.

I can also confirm today that students already holding an honours degree who want to start a second honours degree course in nursing, midwifery and the allied health professions from 1 August 2017 onwards will be able to apply for fee loans and living costs support for their course.

Further details on the undergraduate student package and support arrangements for postgraduate pre-registration nursing, midwifery and allied health professional students from 1 August 2017 onwards will be set out in the Government's consultation response which is being published in due course.

These changes will enable universities to provide up to 10,000 additional nursing, midwifery and allied health training places by 2020, giving more applicants the opportunity to become a health professional.

Student support for armed forces personnel serving overseas and their families.

Students who are undertaking a full-time or part-time distance learning course with a UK provider qualify for loans, and where applicable, disabled students' allowance if they were undertaking their courses in England on the first day of the first academic year of their course and are living in the UK. Students do not qualify for support for a distance

learning course if they are undertaking their course outside the UK. This rule currently places armed forces personnel serving overseas and their families who wish to undertake a higher education course by distance learning at a disadvantage as a result of their service.

I can confirm today, that from 1 August 2017, UK armed forces personnel serving overseas, and family members living with them will, for the first time, qualify for fee loans for full-time and part-time undergraduate distance learning courses with UK providers. They will also qualify for postgraduate master's loans for full-time and part-time master's degree distance learning courses with UK providers. Those students with disabilities will qualify for disabled students' allowance. This change will apply to students starting or continuing distance learning courses in 2017/18.

I expect to lay regulations implementing changes to student finance for undergraduates and postgraduates for 2017/18 later this year which will be subject to Parliamentary scrutiny. More details of the 2017/18 fees and student support package will be published by my Department in due course.

[1] <https://www.gov.uk/government/publications/teaching-excellence-framework-year-1-list-of-eligible-providers>

21 Jul 2016 | Written statements | House of Commons | HCWS117

Member: Joseph Johnson

Department: Department for Education

3. Press articles and notices

[Scotland urged to give university students a 'living wage'](#)

Financial Times, 20 November 2017

[This article reports on an independent review commissioned by the Scottish Government which has argued that “university and college students in Scotland should be guaranteed access to a living wage”]

[Student loans fraud exposed by Panorama](#)

BBC News, 13 November 2017

[This article outlines the findings of a Panorama investigation into the student loan system]

[Ex-student loans head's concern over Wales finance shake-up](#)

BBC News, 22 November 2017

[This article highlights concerns over the change in Wales from a tuition fee grant to a means-tested maintenance grant]

[Scrap student loan interest and extend payback time - review](#)

BBC News, 30 October 2017

[This report outlines proposals from the thinktank “UK 2020” which advise abolishing interest on student loans and extending the time limit on paying it back to 30 to 50 years]

[University research subsidised with £281m from tuition fees](#)

The Times, 9 November 2017

[An article on a [Higher Education Policy Institute report](#) which claimed tuition fees are “subsidising university research” by helping to fund a gap between the cost of research and the revenue it generates]

[Vast majority of students never repay their tuition fee debts, study finds](#)

The Independent, 16 November 2017

[Sutton Trust calls for means-tested tuition fees in England](#)

Times Higher Education, 16 November 2017

[Tuition fee rise to £9,295 in Wales scrapped](#)

18 October 2017

[Cut tuition fees but freeze repayment threshold, CPS says](#)

Public Finance, 18 October 2017

[Outlining a Centre of Policy Studies report arguing that tuition fees should be cut and interest rates lowered, but that the repayment threshold should remain the same]

[England's student loan reforms a 'significant giveaway' says IFS](#)

Times Higher Education, 3 October 2017

[Reports on an IFS analysis of the rise in the repayments threshold which it assesses as a rise by 45% in the level of "public subsidy"]

[Theresa May pledges help for young on student fees and housing](#)

BBC News, 1 October 2017

[Tuition fee repayment earnings threshold to rise to £25,000](#)

The Guardian, 1 October 2017

[Article reporting the Prime Minister's announcement of a freeze on tuition fees at £9,250 and a rise in repayment thresholds to £25,000 a year earnings]

[Five things that could happen next with tuition fees](#)

BBC News, 18 September 2017

[Labour to force vote on government plan to increase tuition fees](#)

The Guardian, 12 September 2017

[Tuition fees row: education expert warns over graduate earnings](#)

The Guardian, 12 September 2017

[10 charts that show the effect of tuition fees](#)

BBC News, 8 July 2017

[Tuition fees should be scrapped, says 'architect' of fees Andrew Adonis](#)

The Guardian, 7 July 2017

[Student debt rising to more than £50,000, says IFS](#)

BBC News, 5 July 2017

[University tuition fees in England now the highest in the world, new analysis suggests](#)

The Independent, 28 March 2017

[Labour tuition fees promise: Students this year 'would not pay'](#)

BBC News, 22 May 2017

[A report of the Labour Party's election manifesto promise to abolish tuition fees]

4. Further reading

- Commons Library briefing CBP08151, [Higher education tuition fees in England](#), November 2017
- Commons Library briefing CBP0897, [Prime Minister's announcement on changes to student funding](#), October 2017
- Commons Library briefing CBP07973, [Higher education funding in England](#), June 2017
- Commons Library briefing SN06206, [HE in England from 2012: Funding and finance](#), April 2017
- Commons Library briefing SN00917, [Tuition fee statistics](#), December 2016
- Commons Library briefing SN06205, [HE in England from 2012: Student numbers](#), October 2014
- London Economics and The Sutton Trust, [Fairer Fees: Reforming student finance to increase fairness and widen access](#), November 2017
- UK2020, [Defusing the debt time bomb](#), October 2017
- Institute for Fiscal Studies Briefing Note BN211, [Higher Education funding in England: past, present and options for the future](#), July 2017

About the Library

The House of Commons Library research service provides MPs and their staff with the impartial briefing and evidence base they need to do their work in scrutinising Government, proposing legislation, and supporting constituents.

As well as providing MPs with a confidential service we publish open briefing papers, which are available on the Parliament website.

Every effort is made to ensure that the information contained in these publically available research briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

If you have any comments on our briefings please email papers@parliament.uk. Authors are available to discuss the content of this briefing only with Members and their staff.

If you have any general questions about the work of the House of Commons you can email hcinfo@parliament.uk.

Disclaimer

This information is provided to Members of Parliament in support of their parliamentary duties. It is a general briefing only and should not be relied on as a substitute for specific advice. The House of Commons or the author(s) shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice.

The House of Commons accepts no responsibility for any references or links to, or the content of, information maintained by third parties. This information is provided subject to the [conditions of the Open Parliament Licence](#).