

# English higher education reworked: what are the likely outcomes of the Government's new student loan and tertiary participation package?

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## Proposed reforms could change

- What type of qualifications and courses are provided
- Who provides the qualifications and courses
- Who studies
- How they study
- How many people study
- How and which students are funded
- How and what learning is funded

Discussing the proposed changes to student funding the government declares:

*“Put simply, we need a fairer and more sustainable system for students and institutions, and of course the taxpayer.....And we need a fairer deal for students..”*

(Department for Education, 2022, p 4)

# Student loan repayments

- Loan repayments are income contingent –depend on graduates' earnings
- Graduates start to repay when earning over an income threshold.
- Student don't repay their loans if earnings below this threshold.
- Pay 9% salary above threshold until they have paid off their loans with any outstanding debt written off after a specified number of years.
- Interest on loans also varies by graduate earnings
- Repayments are deducted directly from graduates' pay packets – via the tax system

# Student loan repayments

	Old	New 2023/24+
Tuition fees	£9,250 pa	£9,250 pa
Repayment threshold	£27,295	£25,000
Repayment rate over threshold	9%	9%
Repayment period	30 years	40 years
Interest rates	<p>While studying: RPI+3%</p> <p>When graduate:</p> <ul style="list-style-type: none"> <li>• RPI if income &lt;£27,295</li> <li>• RPI +up to 3% income £27,295 to £49,130</li> <li>• RPI +3% &gt;£49,130</li> </ul>	RPI

# Graduate voices

## **Student loan debt is a burden**

John's debt is *"like a ball and chain... it's always present and you know it doesn't get paid off and I feel like it's currently almost like a heavy bag that I have to carry."*

The debt Mary owes is *"an insane amount of money... just ridiculous, it's beyond comprehension"*.

## **Interest rates are too high**

The interest on Paul's debt *"it makes you feel sick and horrible... an absolutely horrible feeling inside your chest, your stomach..."*

## **Repayment period is never-ending**

Peter explains after 10 years of repayments *"I don't see a light at the end of the tunnel... I will just be in debt for the rest of my life"*



Augar Response:  
Minimum Eligibility Requirements  
– a Tertiary Perspective

Dr James Robson, Oxford University



# Deepening Social Inequalities

- Underpinned by economic concerns and unpaid student debt
- Most disadvantaged impacted
- About 71% of young people in England achieve level 4 in English and Maths GCSE, but this is reduced to 52% for disadvantaged households.
- HE in FE and FE as a pathway into HE are critical to widening participation and social mobility



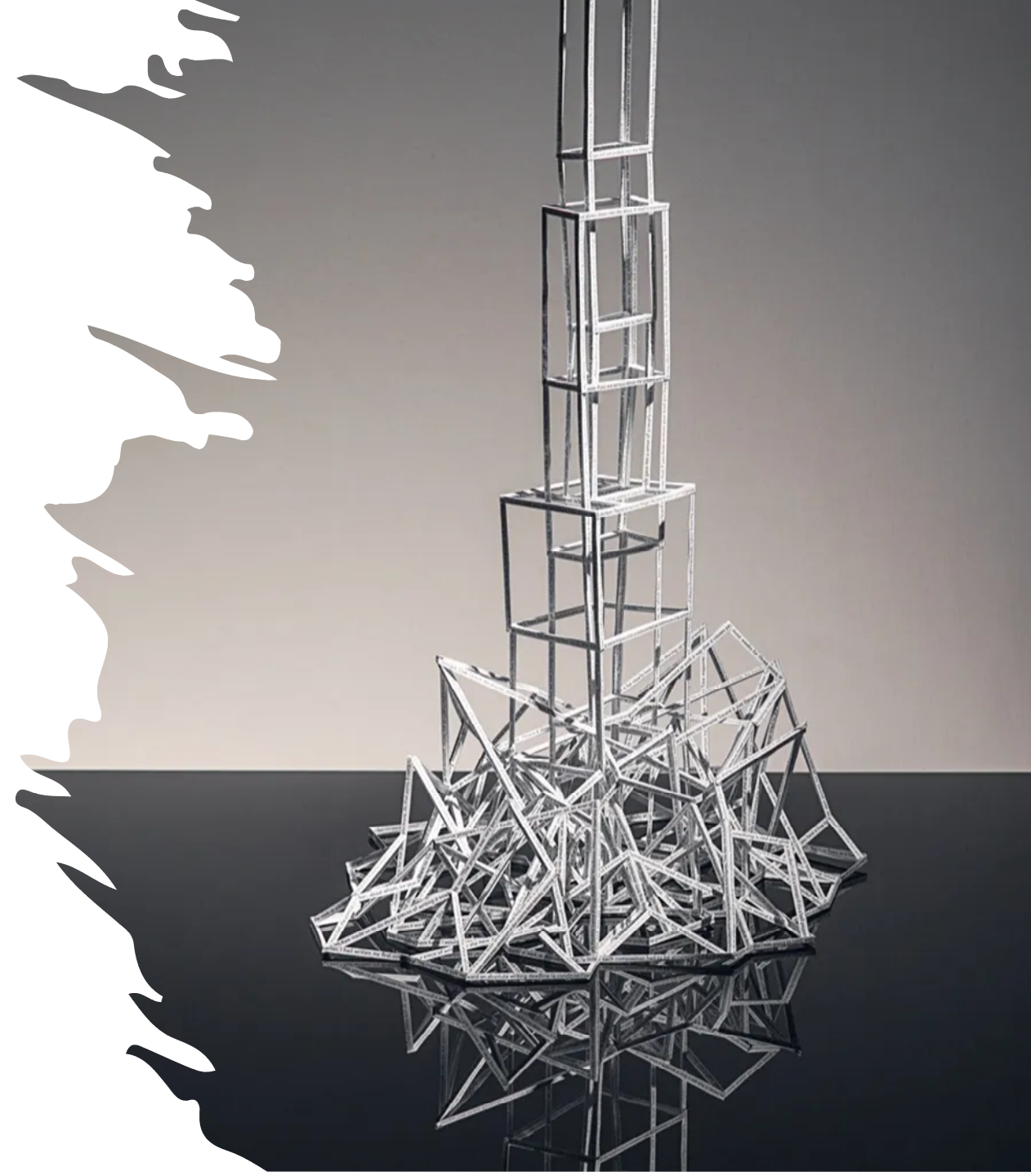


# Nudging people out of the system

- Shifting WP initiatives to GCSE may ultimately improve access?
- BUT
- MER feeds into a complex system of coercive power that excludes the most disadvantaged at a discursive level
- Nudge theory 101

# Regressive approach to tertiary systems-thinking

- FE positioned as purely in terms of skills supply
- Little engagement with broader educational or community oriented missions of FE
- FE and HE ultimately positioned in competition in a quasi-market
- System structured to tend towards vertical stratification at the expense of horizontal diversity





Thank you

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