



HIGHER EDUCATION

Conservatives make their mark on higher education

- Students beginning university in the 2016-17 academic year from low and middle income backgrounds will no longer receive maintenance grants. The grants will be replaced with increased maintenance loans, which students will be required to pay back once their earnings exceed £21,000 a year. The policy is expected to save £2.5 billion by 2020-21.
- Consultations were announced into freezing the student loan repayment threshold for the next five years, as well as the mechanisms involved in allowing universities offering "high teaching quality" to increase their tuition fees in line with inflation from 2017-18.
- Plans were announced to introduce a Jobcentre Plus employment advisor role to work with schools and sixth-form colleges in Birmingham, to help young people understand the local labour market and possible routes into work. The scheme will originate in Birmingham, before extending to the Greater Birmingham area and beyond.

WHITEHOUSE ANALYSIS

Although the message of this Budget was that young people must “earn or learn”, the scrapping of maintenance grants has been widely criticised as discouraging students from low income backgrounds from attending university at all. This announcement has been motivated by the Chancellor’s determination to reduce the proportion of the bill for higher education that students will probably not repay. The Chancellor’s first Budget without the Liberal Democrats demanding compromises to ease the strain on young people finally gave him the chance to do this.

Meanwhile, the plans to assist young people in Birmingham understand their local labour market are evidence of the Government’s plans to make the Midlands Britain’s “engine for growth”. By ensuring that education opportunities are not limited to the south-east of England, the Chancellor is looking to spread employment and growth across the country over the next five years.