MAINTENANCE GRANTS -
CUSU COUNCIL OPEN DISCUSSION

As part of the Summer Budget 2015, the government has announced its intentions to abolish grants and replace them with increased maintenance loans. As of September 2016-17, new entrants to university from households with an annual income of less than £25,000 will be able to access loans of up to £8,200 per year (up to £10,702 for those studying in London), but will therefore leave university with up to £13,500 (with interest) more debt if they take up their full loan entitlement.

The government has announced the current maintenance grants structure “unaffordable”, as the provisional awards of Maintenance and Special Support Grants in the academic year of 2014/15 totalled £1.57 billion. 395,000 students received a full grant and just over 135,000 a partial grant.

In 2014/15 students from households with an annual income of £25,000 per year or less are eligible for maintenance grants of £3,387 per year. Partial grants can be accessed by students from households with an annual income of between £25,000 and £42,620. Student loans begin being repaid when the student reaches an income of £21,000 per year.

The biggest impact of this change will be on students from the lowest income households who will see their total maintenance support increase by the greatest amount. This is met, however, with concerns that the changes will impact widening participation in higher education, students’ perceptions of the value of higher education, and long-term public finances.

This proposal came alongside announcements that the government will consult on freezing the student loan repayment threshold at £21,000 for five years and increasing the fee cap in line with inflation for institutions performing successfully within the proposed Teaching Excellence Framework from 2017/18.

QUESTIONS TO COUNCIL:

- What impact could these changes have on Access to higher education, and Cambridge in particular?
- What would your ideal financial support system be?
- What can CUSU do to oppose cuts to maintenance grants, in light of its concerns regarding impact on Access?