

UK Labour government hikes student tuition fees, maintains Tory repayment threshold

Henry Lee
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The UK Labour government's increase to university tuition fees announced last week confirms the abandonment of all promises of "a fairer solution" to student funding.

The policy is an attack on students and graduates, who will be made to pay for the economic crisis through fee hikes, as well as the deterioration of wages and conditions faced by the whole working class once they enter the workplace.

On November 4, Secretary of State for Education Bridget Phillipson announced that the maximum tuition fee for universities in England would increase by 3.1 percent from the 2025-26 academic year, in line with the projected figure for RPI inflation, taking the fee for full-time undergraduates to £9,535. The government is reportedly planning annual increases to the fee cap for the next five years, to around £10,500.

Skills Minister Jacqui Smith said in the Commons, "The intention is that the tuition fee increase will apply to new and existing students". The news site *Wonk HE* questioned the legality of increasing fees in the middle of a course, especially as students were not clearly made aware this was possible. The most callous justification was in Anglia Ruskin University's small print "You won't be obliged to continue with your course if you don't wish to pay the increased fees."

Labour also announced a 3.1 percent increase in maintenance loans, which it claimed would "provide as much as £414 extra per year to help students from the lowest income families." But the increase is much lower outside of London, and any student whose family has an income of over £25,000—which from next year will be less than one parent working full time for the minimum wage—is not eligible for the maximum maintenance loan.

The maintenance loan has been massively eroded by

inflation over the past few years, leaving many students reliant on working alongside their studies. *Schools Week* reported recently that the percentage of students from deprived backgrounds going to university fell between 2021-22 and 2022-23, the first decrease since 2005-06.

When the plan for the tuition fee increase was leaked to the press, it included a suggestion that the £3,500 non-repayable grant for the poorest students would be reinstated. Notably, there was no mention of this in the Phillipson's final press release.

The fee hike is the latest in a series of betrayals of Labour's promises to students. Starmer ran for the Labour leadership in 2020 on a pledge to abolish tuition fees. In May 2023, while still in opposition, Starmer told the BBC, "We do find ourselves in a different financial situation" and abandoned the commitment, but still claimed to believe that "university tuition fees are not working well" and claimed Labour would "set out a fairer solution".

Even these vague suggestions of reducing the burden on students were walked back further in May 2024, when Phillipson said on Question Time that increasing fees "is a really, really unpalatable choice" but refused to rule it out.

Phillipson's press release last week cited from Labour's usual hymn-sheet, "The situation we have inherited means this government must take the tough decisions," and downplayed the impact: "student loan borrowers will not see their monthly student loan repayments increase as a result of these changes." This weasel wording conceals that monthly repayments will increase because Labour has retained and frozen the Tories' lower repayment threshold.

Changes made by the Tories in 2022 mean that around two-thirds of students are now expected to

repay their loans in full, so the increase in fees means they will pay more in total as well as facing a higher monthly payment. Student loan repayments take 9 percent of pay above £25,000, a threshold which was cut by the Sunak government from £27,295 for students beginning in 2023. At the time, Phillipson denounced the cut as “another stealth tax for new graduates starting out on their working lives, which will hit those on low incomes hardest”.

Labour has not only retained this stealth tax, but by freezing the threshold as prices and salaries increase is taking an even larger percentage of graduates’ pay. From April, anyone working 40 hours a week for just the minimum wage will earn above the threshold and have to begin making repayments on their student loan.

This is far from the last attack on students, both financially and on education itself. Public services including education are being cut in line with the dictates from big business and to allow a massive increase in military spending.

Cuts in jobs, courses and financial support for students are inevitable: 40 percent of universities are in deficit and one in three students surveyed by the Higher Education Policy Institute think tank said they were either very or quite worried their university “might go bust.”

The increase in fees will not resolve this funding crisis. It is expected to bring in only an additional £300 million, so will not even cover the additional £372 million national insurance contributions universities will pay to the exchequer after Labour’s recent budget, let alone rising costs due to inflation. University incomes have also suffered from a fall in applications from international students.

While camouflaging it with language about “high quality education that boosts [students’] life chances”, Labour has adopted the Tories attacks on courses which do not deliver an immediate economic benefit. The fee cap for classroom-based foundation year courses has been reduced, supposedly to “ensure that courses are delivered more efficiently”. In reality it will mean many of these courses are closed or have fewer contact hours.

Phillipson said, in another euphemism for cuts and subordinating education to profit-making, “Universities must deliver better value for money for students and taxpayers” and called for a “major package of reforms

so they can drive growth around the country and serve the communities they are rooted in.”

The attacks on students are inseparable from the deterioration of conditions for higher education workers. Years of strikes over pay, precarious contracts, inequality and workloads were betrayed by the University and College Union bureaucracy, which treated the dispute as one against individual employers. It was hermetically sealed from the developing strike wave in the rest of the working class, and the demand for education to be funded as a social good, with securely employed educators, was never raised.

The first four months of Labour’s rule have proved that it is as intent as the Tories on following a programme of austerity and militarism. Phillipson wrote an article on October 7 for the *Telegraph* defaming students opposed to the genocide in Gaza as “anti-Semites”. She said university staff would be given the “skills to act quickly to root out anti-Semitism as soon as it emerges” i.e. that the universities would be empowered to clamp down on free speech.

Democratic rights and the right to education are deeply entwined, and can only be defended by repudiating Labour’s insistence that society be structured in the interests of the corporations and super-rich. This requires the turn to the working class and its struggle for its social rights advocated by the International Youth and Students for Social Equality.



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