

# KEEP INVOLVED STAY INFORMED

Contact the SPEAK Network Support Team:  
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call 0208 981 9441 / visit [www.speak.org.uk](http://www.speak.org.uk)  
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Name: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
\_\_\_\_\_  
University Address: \_\_\_\_\_  
\_\_\_\_\_  
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PLEASE SEND TO:

**SPEAK Network**  
**St Margaret's House**  
**Settlement**  
**21 Old Ford Road**  
**London**  
**E2 9PL**

I would like to get involved or find out more about SPEAK's work by...  
(Please tick the appropriate boxes below)

Receiving Pray & Post Cards for regular prayer and campaign action  
 Being a 'SPEAK Link'- Distributing Pray & Post campaigns to a group  
(please give group name & size): \_\_\_\_\_  
 Setting up a SPEAK group  
 Contacting a SPEAK group in my area  
 Joining the 'Crew' to help with events  
 Joining a national team- arts, campaigns, sharing faith & discipleship,  
prayer, groups, international and London (please circle team/s of  
interest)  
 Working for the SPEAK Network Support Team  
 Making a donation to, and praying for, SPEAK

**Council of Reference** \*: Clive Calver, Tony Campolo (Prof), Steve Chalke (Oasis Trust), Martin Drewry (Health Unlimited), Joel Edwards (Micah Challenge), Andy Frost (Share Jesus).  
**Advisory Committee**\*: Roger Allen, Ashley Riley (World Vision), John Drane (Author), Roger Ellis (Revelation), Andy Freeman (24-7 Prayer), Andy Harrington (YFC, Canada), Andy Hough (YFC), Roger Mitchell and Sue Mitchell (Passion), Stephen Rand (Jubilee Debt Campaign), Ronald Sider (Author), Greg Valerio (CRED), Andy Wales, Ben Niblett (Tearfund).  
\*- All serving in a personal capacity.  
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**SPEAK is a member of the Evangelical Alliance.**

# WHAT FUTURE CAN WE AFFORD



At SPEAK, we've previously focused on injustice and the unsustainable nature of the banking industry, with campaigns like Break the Code, encouraging individuals to write odes to the banks to raise awareness of the huge systemic problems in finance. We've also held actions like Run on the Banks; a fun run around the banking district to highlight some of its absurd and awful financial practices. (<https://speak.org.uk/blog/speak-weekender-aftermath>)

Throughout the years we have also focused on global debt, as a member of the Jubilee 2000 coalition we collaborated on the Make Poverty History campaign that led to a record £100 billion worth of debt cancelled. Now, we want to focus on the huge and increasing problem of student debt both in the UK and wider afield.

In 2012 the Conservative- Liberal Democrat coalition government's drive to increase tuition fees was implemented, almost tripling the previous fee's. Setting the higher threshold at £9000 per year for a university undergraduate degree for British Nationals in the UK. 76% of HE institutions currently charge this upper rate. With Maintenance Grants also recently being ceased. It really is a tough time for young people starting out on their higher learning and career paths.

Huge protests were sparked in 2010 when the Tuition Fee changes were first published, these included an extraordinary occupation of Millbank, the Tory HQ alongside many other local demonstrations and occupations of universities and colleges across the country. There was mass opposition to this tactical effort to reduce Governmental contribution to the deficit. Now from 2017 fee's are set to increase further with inflation – equivalent to 2.8% or roughly £250 per year extra to go towards Universities costs.

Post-2012 students who signed to pay back their loans at 9% above an income threshold £21,000+ are not being given the same grace. The loan repayment conditions from 2012 said that the income threshold would be updated annually in line with average earnings. To reassure potential students that they would not need to start repaying their loan until they were earning a decent salary.

However in 2015 the Government issued a consultation on freezing the loan repayment threshold at 21,000 for five years, and despite the overwhelming response against this course of action, in November 2015 the Government announced a freeze for all post-2012 loans until at least April 2021. While it could be argued that the threshold level for repayments are much higher than they used to be, the loans now have a real rate of interest and are charged from the first year at university. This massively increases the cost to students, not by £100's but by £1000's throughout the lifetime repayment of the loan.



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**Justine Greening MP**

**c/o SPEAK Network**  
**St Margaret's House**  
**Settlement**  
**21 Old Ford Road**  
**London**  
**E2 9PL**



**What Future Can Future Generations Afford?**

[www.speak.org.uk/what-future-can-we-afford](http://www.speak.org.uk/what-future-can-we-afford)

## RISING FEES AND DEBT

According to the Institute of Fiscal Studies students average debt has almost doubled to over £40,000 since the changes of 2012. Research suggests the new system has not saved the government any money, the stated reason for implementing changes, as a huge 40% of student loans will not be paid back. It was predicted that public sector debt will rise by up to £100bn over the 20 years proceeding 2012. With the cost of government borrowing adding significantly to the national debt in the short and medium term. According to the Intergenerational Foundation, the rise in annual student loans costs is between £5-6bn a year - far more than the £3bn annual savings achieved through cuts to universities' teaching grants. The government predicts this will stabilise by 2030 but other research bodies wait with baited breath on that note.

## IMPACT OF DEBT SALES

In 2013, the pre-1998 student loan book, including around 300,000 past students loans, worth £890m was sold to private company Erudio Student Loans (CarVal Investors and Arrow Global) for £160m. This act of privatisation is not only a shocking giveaway for the taxpayer but is also terrible for the graduates as Erudio has a noted record of malpractice. Then in 2014, the government tried to privatise the 1998-2012 student loan book but this move was halted after many student protests, and a last minute U-turn decision of Vince Cable then the Secretary of State for Business, Innovation and Skills. However it seems this stall will not hold fast.

**The 2008 Sale of Student Loans Act enshrines the desire of policy makers to sell student debt soon and leave the worry of future government income to future governments.**

**Marketisation mechanisms** now shaping Universities are increasingly reflected in the developments we are seeing. For instance by using results from NSS Students surveys as measures of teaching quality in the Teaching Excellence Framework (TEF) which rate an institution's teaching quality on the basis of a set of core metrics. TEF assessments are proving a tier system by which inflation increases will be applied to tuition fees. The government have announced that they will be using the RPIX measure of inflation, which will be set at 2.8% for the first fee increase, meaning that students in 2017-18 could be paying £9,252 in their first year of study with further increases in subsequent years. Inflation projections suggest that students could be paying over £11,800 by 2026 on this basis. By using NSS results in TEF, the government are effectively using student feedback as a mechanism to raise tuition fees. We see this as a reflection of instilling market competition values within education.

The Financial Times recently published that graduates who paid fees of up to £9,000 a year are estimated to have left university with an average of £44,000 of debt, compared with the average £16,200 of debt faced by those who graduated five years earlier. About 70 per cent of students who left university last year are expected never to finish repaying their loans, according to modelling carried out by the Institute for Fiscal Studies. Instead they will have to make repayments for 30 years before then having the unpaid loan written off. This is in stark contrast to earlier generations of students. Of those who graduated in 2002, 44 per cent had already paid off their loan within 13 years, according to new data from the Student Loans Company. This raises serious concerns about the ability of the new generation of graduates to get a mortgage. Compared to previous generations, it will take longer for graduates to have the income necessary to buy a home.

Recently The Treasury's Budget, under Theresa May, has indicated their intentions to continue the sell off:

*"The government is making progress towards achieving a further £5 billion of corporate and financial asset sales by March 2020... the government is continuing to pursue the sale of the pre-2012 income contingent repayment student loan book, with a first sale in 2016-17"*

**If graduates begin their career with a lifetime of debt and reduced chance of affording a home. What educated chance do they have of making a 'better life'?**

**Further Concerns...**The issue of student debt could be understood within the context of seeming commercialisation of HE & FE (Higher Education and Further Education). The introduction of the Teaching Excellence Framework also enables the government to link tutor pay to their graduates' salaries. We knew that much education stemmed from industrialisation of society however it now is likely to be facing direct commercialisation also.

If you're a student or an education worker or simply a concerned citizen, please send the attached letter of concern, and look at some of the other campaigns working in this area, such as the National Campaign Against Fees & Cuts, a network that campaigns specifically on these issues.

## PRAYER & ACTION

Reflect on the meaning of this verse:

**'At the end of every seven years you shall grant a remission of debts.'** - Deuteronomy 15:1-2

This is the manner of remission: every creditor shall release what he has loaned to his neighbour; he shall not exact it of his neighbour and his brother, because the LORD'S remission has been proclaimed.

**Do you think that we need a whole-scale cancelling of student debt? What does the Jubilee mean today?**

**\* Order more Pray&Posts to use with a group (your church/ CU/ homegroup/ another campaign group?) Use the prayer ideas and faction the campaign together.**

**\* Go to your local MP Surgeries as a group to ask what actions they will make and record their responses so you can follow up accurately and hold them to it!**

**\*Come to SPEAK's gathering April 2017**

Dear Justine Greening- Secretary of State for Education,

I am very concerned about the huge and increasing level of student debt in the UK both for individual students and for the country as a whole. I am especially concerned that the Higher Education and Research Bill 2016-17, currently progressing through Parliament could facilitate a further raise on tuition fees caps. Saddling graduates with mountains of debt and increasing the costs to the Government does not create a healthy economy nor a functioning society. I urge you to:

**Restore student maintenance grants, or provide other means for those who cannot afford to access education. Stop the retrospective changing of Student Loans contracts and retract changes that have already been implemented such as the freeze of the repayment threshold at £21,000.**

**Please do whatever you can at this stage and in the future to block or repeal the HE and Research Bill and any further increases in tuition fees as a result.**

**Ensure that the 1998-2012 Student Loan Book not be sold to private institutions. Repeal The Sale of Student Loans Act 2008**

Signed

Date

Name

Address

I wish to be added to SPEAKs mailing list

SPEAK is a network of students and young adults praying and campaigning on issues of global injustice. Through bringing change to situations of injustice, we aim to share our faith in our all loving, all powerful creator God.

SPEAK Network, St Margaret's House Settlement, 21 Old Ford Road, London, E2 9PL

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