

Student loans cost taxpayers £6.6bn

Richard Garner

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For every £1 invested on teaching in universities, £7.50 is spent on cancelling students' debts, parliamentary research has found.

Labour's former Universities minister, John Denham, will tonight accuse the Government of being "scandalously irresponsible" in its handling of the higher-education debate, in light of the figures compiled by the House of Commons library.

While the Government needs to spend £14.6bn a year meeting the cost of paying loans to student – it will only recoup £8bn of that, leaving the taxpayer to find the other £6.6bn, Mr Denham will disclose.

He will use the Budget debate on higher education to highlight his own model for spending.

One put forward by the research suggested reducing student fees to £3,400 a year to leave less debt unpaid.

Mr Denham's comments come after an admission from Nick Hillman, formerly special adviser to the current Universities minister, David Willetts, that the Government "got its maths wrong" with the introduction of the [new fees system](#) of up to £9,000 a year.

In response to Mr Hillman's comments, the Department for Business, Innovation and Skills said the universities sector was well funded and that the "estimates can and will continue to change".