

# Political Affairs Digest

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**01 – 05 June 2026**

A regular digest of House of Commons, House of Lords, and higher education sector business.

If you would like more information on parliamentary business, or advice on engaging with Parliament or a parliamentarian, please contact the team:

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# Parliamentary business

## Milburn Review: Interim Report - HoC debate

On Tuesday 2 June, the House of Commons considered an urgent question on Alan Milburn's interim report on young people and work. The Minister for Work and Pensions, Andrew Western, said the report highlighted a long-term "crisis of opportunity" for young people, with too many leaving education without moving into work. He said the Government's response included the youth guarantee, expanded work experience, workplace training, apprenticeships, hiring incentives for employers and subsidised employment for young people who remain out of work for 18 months.

Helen Whately (Conservative) criticised the Government's response, arguing that the interim report provided diagnosis rather than solutions. She said the number of young people not in education, employment or training had become a serious economic and social problem, and accused the Government of making it harder for businesses to hire young people through higher employment costs and regulation. Western responded that the rise in NEETs was long-term and deep-seated, and said the Government was investing £2.5 billion in the youth guarantee.

Several MPs focused on the role of education, skills and apprenticeships. Jim McMahon (Labour/Co-op) argued that apprenticeships had not been given enough parity with academic routes, pointing to falls in apprenticeship starts and level 2 starts. Western said the Government's approach was underpinned by the Prime Minister's revised target for two thirds of young people to be in either higher education or an apprenticeship, rather than a target focused only on university participation.

Munira Wilson (Liberal Democrat) raised concerns about further education funding, saying the report identified young people entering FE as among those most at risk of becoming NEET and referring to 32,000 unfunded FE places. Vikki Slade (Liberal Democrat) also argued that the Government should invest in FE places earlier, rather than waiting until young people have already been out of work for a prolonged period. Western said 16-to-19 funding would total nearly £9 billion in 2026-27, and said the Government had shifted funding from older, higher-level apprenticeships towards younger apprentices and foundation apprenticeships.

Suella Braverman (Reform) criticised what she described as a long-standing overemphasis on university, arguing that vocational training needed an overhaul. Western rejected her language but said the Government no longer believed the target should be for 50% of young people to go to university, instead restating the ambition for 66% to be in higher education or an apprenticeship. Peter Prinsley

(Labour) similarly called for practical skills to be given equal status with academic routes, which Western said aligned with the Government's approach.

Adam Thompson (Labour) raised the University of Nottingham's electromechanical engineering degree-level apprenticeships, asking how the Government would support young people to earn and learn through high-quality apprenticeships. Western congratulated the apprentices and pointed to increased funding for the growth and skills levy. Alison Bennett (Liberal Democrat), vice-chair of the APPG for Young Carers and Young Adult Carers, raised barriers faced by young adult carers in accessing higher education, training and employment, including the rule preventing students studying for more than 21 hours a week from claiming carer's allowance

## **Improving the UK visa system - Westminster Hall debate**

On Wednesday 3 June, MPs debated improving the UK visa system in Westminster Hall. The debate was secured by Blake Stephenson MP and covered legal migration controls, sponsor compliance, student and graduate visas, English language testing, settlement rules, visa costs and Home Office performance.

Blake Stephenson (Conservative) argued that the visa system is too generous and vulnerable to exploitation. On student visas, he said universities have a commercial incentive to recruit international students and criticised the Graduate Route for giving graduates the right to live and work in the UK. He called for a minimum academic standard for incoming international students, caps on institutions based on the quality of educational provision, and Graduate Route eligibility to be linked to academic performance. He also argued that universities should no longer be able to assess English language skills for incoming students. Dr Scott Arthur (Labour) intervened to say international students come to the UK because of its "fantastic universities", not because of the visa system, and argued that the best universities do not rely on the Graduate Route.

Daniel Zeichner (Labour) said Cambridge relies on a functioning visa system and is proud of its international students. His contribution focused mainly on Home Office delays and poor communication, but he also raised concerns from Cambridge University Press & Assessment about the proposed move to remote English language testing. He asked whether remote testing could match the security of in-person testing, whether the Home Office had consulted the National Cyber Security Centre, and whether Ofqual would have a formal role.

Ayoub Khan (Independent) argued that the current direction of immigration policy is too harsh on workers, too costly for employers and damaging to families. He said universities are already under pressure because tougher restrictions on international

students are reducing applications and cutting vital tuition income. He also cited polling suggesting that a majority of the public support either increasing or maintaining numbers of academics and other skilled workers.

Victoria Collins (Liberal Democrat) warned that uncertainty around visas could make it harder for businesses to retain skilled workers and international talent. She argued that this was particularly relevant to the Government's ambitions on AI and quantum technology, saying the UK must remain attractive to international innovators while also investing in domestic skills. Will Forster (Liberal Democrat) also raised concerns about visa costs, including the cost of the five-year Global Talent visa, and said Cancer Research UK had warned that rising immigration costs were affecting research activity.

Matt Vickers (Conservative), responding for the Opposition, supported tougher action on immigration and said the Government should move quickly on its proposed changes to indefinite leave to remain. He also raised concerns about remote English language testing, saying every change to the immigration system should strengthen rather than weaken public confidence. Shockat Adam (Independent) challenged him on whether an annual migration cap risked politicising immigration at a time when universities were struggling because of lower international student numbers, warning that this could disrupt the foundations of universities.

Responding for the Government, Mike Tapp, Parliamentary Under-Secretary of State for the Home Department, said the Government wants a system that is "fair but firm". He said the Government continues to welcome and value the contribution of international students to society, the economy and higher education institutions, adding that the UK has "the best universities in the world" and wants the best minds to study here. He said the Government is looking at basic compliance and that further information would follow, noting that he had met university stakeholders earlier in the week. He also said it is important to work with universities to ensure compliance while continuing to attract international talent.

Tapp said abuse on the student route had fallen by 30% since the Government came into office, but said 11,000 people had entered on the student route last year and gone on to claim asylum. More broadly, he said the Government had revoked more than 5,800 work-related sponsor licences since coming to power and would act where organisations fail to meet sponsorship standards. He also said the Home Office needed to improve its data, acknowledging that it was unacceptable when Ministers were unable to answer written questions because the data was not available.

Stephenson closed the debate by saying he was disappointed that the Minister had not addressed the proposed move to remote-only English language testing, which he described as an important issue for both himself and Daniel Zeichner. He urged the

Home Office to accept an invitation to brief the Public Accounts Committee on the issue. The motion was agreed without division.

You [can watch the session](#) and [read the transcript](#).

## **Student loans and taxation of graduates - Treasury Committee Oral evidence session**

On Tuesday 2 June, the Treasury Committee held an oral evidence session on student loans and the taxation of graduates. The Committee said it had received 52,000 responses from graduates, mainly on plan 2 loans, alongside around 300 written submissions.

Witnesses included:

- Sir Philip Augar, Chair at the Post-18 and Funding Review Panel
- Kate Ogden, Senior Research Economist at Institute for Fiscal Studies
- Toby Whelton, Senior Researcher at Intergenerational Foundation
- Vivienne Stern, Chief Executive at Universities UK
- Alex Stanley, Vice President for Higher Education at National Union of Students
- Kieren Walters, Director of Communications and Research at Prospect
- Oliver Gardner, Founder at Rethink Repayment

Vivienne Stern argued that the student finance system needs to be fairer, clearer and more transparent. She said plan 2 had become “politically unsustainable” because of the strong sense of unfairness it created, even if it had originally been designed as a progressive system. On interest rates, she said RPI was not the right inflation measure for plan 5 and should be replaced by CPI, or potentially linked to the Government’s borrowing rate. She said borrowers need to know clearly what terms may change and what will not, warning that repeated changes over time have shifted more of the cost from Government to individuals.

She also argued that the language of “debt” and “loans” has been misleading for graduates, because repayments are based on earnings rather than the nominal size of the loan. She said the system would be better understood as a higher education contribution scheme, reflecting the fact that both the individual and the country benefit from higher education. She stressed that the original intention was not for all loans to be fully repaid, and that the state has an interest in supporting people to study because society depends on graduate skills.

On the balance between public and private contributions, she said she was strongly in the “walk it back” camp. She said the balance had moved from 100% state funding

when she went to university, to around 70% state and 30% individual after the introduction of variable tuition fees, then nearer 50:50 around the time of the Augar Review, and now around 70% individual and 30% state. She warned that if higher education starts to look like a poor deal, this could become a problem for the whole of society, not just for prospective students, particularly as the economy shifts towards higher-skilled jobs.

She linked graduate fairness directly to university funding pressures. She said the UK is under-investing in domestic higher education and research, describing this as a “strategic error”. She argued that low public investment has left universities over-reliant on graduate contributions and international student fees, the latter of which she described as an unstable source of income. She also warned that Government had almost entirely withdrawn from upfront teaching funding through the strategic priorities grant, and said a further cut from DfE to OfS was expected.

She gave high-cost provision as a key example, saying it costs around £30,000 to train a vet, while universities can charge around £9,500 in fees and receive around £11,000 through the strategic priorities grant, leaving a gap that has to be met from other sources, often international student income. She argued that if Government restored more upfront teaching funding, it would have stronger levers to support universities to grow strategically important, high-cost provision such as STEM, which currently may not make business sense for institutions to expand.

She defended a student-demand-led system, arguing that Government is poor at predicting future labour market needs. She used computer games design as an example of a subject once dismissed as low value but now relevant to major industries including defence, healthcare and architecture. Her argument was that students should retain choice, but that the funding system should not force universities to choose between losing “a little bit or a lot of money” when deciding where to expand provision.

She also emphasised the economic value of higher education. She said graduates are, on average, earning 37% more than non-graduates by age 31, and referred to UUK analysis of LEO data showing a significant lifetime earnings premium. She said financial support for higher education should be seen both as an investment by individuals in themselves and as a national investment, because the Treasury benefits from higher graduate tax and national insurance contributions.

On regulation and borrower protection, she said she supported greater transparency, scrutiny and a clearer commitment to borrowers about what will and will not change. However, she said she was not persuaded that the Financial Conduct Authority was necessarily the right body to regulate student loans, because they are not commercial loans but part of a partnership between the state and the individual. She also said schools and colleges need better funding for information, advice and guidance, and

that the system needs to be simplified so students understand it as an income-contingent contribution rather than conventional debt.

Sir Philip Augar argued that the balance between public and private contributions to tertiary education had shifted too far towards the individual. He said his review had recommended a broadly 50:50 split between the state and individual, but that the current position for plan 2 graduates was now much more heavily weighted towards graduates. Kate Ogden said RPI was not the right long-term measure for student loan interest and suggested Government borrowing costs could be a better reference point. Toby Whelton questioned the justification for above-inflation interest rates, arguing that student loans were a poor mechanism for redistribution.

The second panel focused on the graduate experience. Alex Stanley said the NUS's immediate priority was the freezing of repayment thresholds, arguing that graduates had lost the "breathing space" they had expected before repayments began. Oliver Gardner said above-inflation interest for plan 2 borrowers while studying was unjustifiable, and raised concerns about plan 5 graduates potentially repaying into their 60s. Kieren Walters said Prospect's members also saw reversing the 2025 threshold freeze as the most important short-term priority, ahead of changes to repayment rates or interest.

Witnesses also raised concerns about the wider impact of graduate repayments on housing, pensions, family formation and intergenerational fairness. Gardner cited Rethink Repayment's own unweighted survey suggesting many respondents felt student loan repayments were delaying home ownership, family formation and retirement saving. Alex Stanley argued that graduates had been hit by a combination of trebled tuition fees, the removal of maintenance grants, maintenance support failing to keep pace with inflation, frozen thresholds and high repayment and interest rates.

The Committee also considered whether the system should be rebadged as a graduate contribution system or replaced with a graduate tax. The second panel was sceptical that changing terminology alone would address the problem: Stanley said policy changes to the terms mattered more than rebranding, Walters said "contribution" may be more accurate but would not rebuild trust on its own, and Gardner said simply changing the name would not solve the issue.

You [can watch the session](#) and [read the full transcript](#).

# Forthcoming business

## **Student loans and taxation of graduates - Treasury Committee Oral evidence session**

On Wednesday 10 June, the Treasury Committee will hold an oral evidence session on student loans and the taxation of graduates.

Witnesses include:

- Lucy Rigby KC MP, Chief Secretary to the Treasury at HM Treasury
- Rt Hon. Baroness Smith of Malvern, Minister of State (Minister for Skills) at Department for Education

You [can watch the session](#).

# Written questions and statements

## Department for Education: Academic Freedom: Subversion

**James McMurdock MP (South Basildon and East Thurrock) (Ind):** To ask the Secretary of State for Education, with reference to her Department's press release entitled New powers to protect vital free speech at universities, published on 20 April 2026, what assessment she has made of the potential impact of external actors, including foreign states, on free speech on UK campuses. (2942) (Department for Education)

**Josh MacAlister MP (Whitehaven and Workington) (Lab):** Any attempt by any foreign power to intimidate, harass or harm individuals or communities in the UK or to coerce universities to limit free speech and academic freedoms, will not be tolerated. Foreign interference concerns have been raised in relation to a range of countries. The National Security Strategy sets out concerns regarding Russian, Iranian and Chinese interference impacting a range of institutions, journalists and universities. However, it is the longstanding policy of successive UK governments that we do not comment on specific operational, intelligence or security matters.

This government brought the Foreign Influence Registration Scheme into force on 1 July 2025, which applies to organisations and individuals including UK universities and students. Any person conducting political influence activity at the direction of any foreign country or being directed by the Russian or Iranian states to conduct activity in the UK, must register. We have also announced a new Academic Interference Reporting Route and issued guidance to help students and staff identify and escalate issues.

Lastly, our Prevent Coordinators help universities follow the correct policies and procedures on concerns relating to students' union activity and student conduct.

Grouped Questions: 2551, 2552, 2553

[Source](#)

## Foreign, Commonwealth and Development Office: Overseas Students: Human Rights

**Chris Law MP (Dundee Central) (SNP):** To ask the Secretary of State for Foreign, Commonwealth and Development Affairs, what her policy is on requests received

from UK universities relating to students experiencing denials of human rights overseas. (2106) (Foreign, Commonwealth and Development Office)

**Chris Elmore MP (Bridgend) (Lab):** The Foreign, Commonwealth & Development Office is closely monitoring this case and we continue to raise it with the Chinese authorities. We have also been in touch with School of Oriental African Studies, and have made clear that any separate response or representations that they wish to make are entirely for them to decide, as would be the case for any UK university concerned about the treatment or detention of one of their students overseas.

Grouped Questions: 2102, 2103, 2105

[Source](#)

## **Department for Education: Academic Freedom: Fines**

**James McMurdock MP (South Basildon and East Thurrock) (Ind):** To ask the Secretary of State for Education, with reference to her Department's press release entitled New powers to protect vital free speech at universities, published on 20 April 2026, what assessment she has made of the potential impact of the level of fines on the financial sustainability of higher education providers. (2554) (Department for Education)

**Josh MacAlister MP (Whitehaven and Workington) (Lab):** The government, through regulations, sets the parameters within which the Office for Students (OfS) can impose monetary penalties on registered providers. The OfS is an independent regulator, responsible for the regulatory decisions it makes, including the penalties it imposes on higher education providers.

The OfS sets out clearly on its website how it will calculate any monetary penalty, including that it will consider the financial position of any provider in calculating a penalty.

[Source](#)

## **Department for Education: Academic Freedom: Subversion**

**James McMurdock MP (South Basildon and East Thurrock) (Ind):** To ask the Secretary of State for Education, with reference to her Department's press release entitled New powers to protect vital free speech at universities, published on 20 April 2026, what role the proposed free speech complaints scheme will play in tackling incidents linked to foreign influence. (2945) (Department for Education)

**Josh MacAlister MP (Whitehaven and Workington) (Lab):** The Office for Students' free speech complaints scheme, open to higher education staff, non-student members and visiting speakers will come into force from 1 September, and will be an important route of redress for those who believe their lawful free speech or academic freedom has not been adequately protected, including in relation to incidents involving foreign interference or influence.

Source

## Department for Education: Academic Freedom

**James McMurdock MP (South Basildon and East Thurrock) (Ind):** To ask the Secretary of State for Education, with reference to her Department's press release entitled New powers to protect vital free speech at universities, published on 20 April 2026, what assessment she has made of trends in the level of free speech breaches in higher education institutions in the last five years. (2943) (Department for Education)

**Josh MacAlister MP (Whitehaven and Workington) (Lab):** On Monday 20 April, my right hon. Friend, the Secretary of State for Education announced she would make commencement regulations by June to bring into force the Office for Students' (OfS) free speech complaints scheme for staff, external speakers and non-student members on 1 September 2026, and mandatory OfS conditions of registration on 1 April 2027. In her statement, my right hon. Friend noted she was aware of examples of academic staff who believe their right to lawful freedom of speech and academic freedom is still being curtailed and had therefore made the decision to act now to strengthen protections and provide a new route of redress.

Source

## Department for Education: Academic Freedom

**James McMurdock MP (South Basildon and East Thurrock) (Ind):** To ask the Secretary of State for Education, with reference to her Department's press release entitled New powers to protect vital free speech at universities, published on 20 April 2026, what criteria will be used by the Office for Students to determine whether a university has failed to uphold its duties on freedom of speech. (2944) (Department for Education)

**Josh MacAlister MP (Whitehaven and Workington) (Lab):** The Office for Students (OfS) published regulatory guidance on higher education providers' free speech duties in June last year. On 23 April, the OfS published an update on the complaints scheme and conditions of registration, encouraging providers to review all their relevant policies and processes ahead of the complaints scheme coming into force

from 1 September 2026, and inviting providers to have early conversations with the OfS where they have concerns or need advice on their existing policies and procedures. The OfS will announce its final plans for the complaints scheme in the summer and will consult, if appropriate, on new free speech conditions of registration later in 2026.

[Source](#)

## **Department for Education: Academic Freedom: Complaints**

**James McMurdock MP (South Basildon and East Thurrock) (Ind):** To ask the Secretary of State for Education, with reference to her Department's press release entitled New powers to protect vital free speech at universities, published on 20 April 2026, what steps her Department is taking to ensure that students, staff and visiting speakers are aware of their rights under the new complaints scheme. (2946) (Department for Education)

**Josh MacAlister MP (Whitehaven and Workington) (Lab):** The Office for Students (OfS) will introduce its free speech complaints scheme on 1 September 2026, which will be available for higher education (HE) provider staff, non-student members and visiting speakers. HE students will, as now, be able to complain to the Office of the Independent Adjudicator for HE. The OfS will also publish details of the complaints scheme rules in advance of its introduction in September.

[Source](#)

## **Department for Education: Teachers: Workplace Pensions**

**Ian Sollom MP (St Neots and Mid Cambridgeshire) (Lib Dem):** To ask the Secretary of State for Education, what assessment she has made of the potential merits of offering funding support for those universities affected by the costs of the Teachers Pension Scheme contributions, in line with support provided for further education colleges and schools. (2351) (Department for Education)

**Josh MacAlister MP (Whitehaven and Workington) (Lab):** The government recognises the financial challenges in the higher education (HE) sector both for providers and their staff.

HE providers are autonomous bodies, and the government does not fund the costs of changes to the scheme for them in the same way as for schools and colleges.

However, we remain committed to engaging with both employer and staff representatives to fully understand the impacts of pension provision in HE on both staff and providers.

Furthermore, we appreciate both the impact of the increased Teachers' Pension Scheme employer contribution rate on providers and that defined benefit pensions are highly valued by staff across the sector. As set out in the Post-16 Education and Skills White Paper, the government is seeking to better understand concerns within the post-1992 HE sector regarding pension provision.

Grouped Questions: 2350

Source

## Department for Education: Students: Loans

**Navendu Mishra MP (Stockport) (Lab):** To ask the Secretary of State for Education, whether her Department has made an assessment of the potential merits of introducing a lifetime cap on interest paid on Plan 2 student loans. (2901) (Department for Education)

**Josh MacAlister MP (Whitehaven and Workington) (Lab):** The government is capping the maximum interest rates on Plan 2 and 3 student loans at 6% for the 2026/27 academic year. We are clear it does not resolve all of the issues with the Plan 2 system, which was designed and implemented by the previous government. We are considering how to make the system fairer, but to be fiscally responsible we must consider how any change would be funded.

Source

## Department for Education: Students: Loans

**Siân Berry MP (Brighton Pavilion) (Green):** To ask the Secretary of State for Education, if she will take action to review and reform student loan repayment terms, including (a) unfreezing the repayment threshold, (b) reviewing the current application of interest rates, and (c) abolishing or capping interest. (2656) (Department for Education)

**Josh MacAlister MP (Whitehaven and Workington) (Lab):** Prospective students have access to a wide range of information across a range of platforms before they submit their loan application including, but not limited to, GOV.UK, where students can access the student finance calculator, Student Loan Company (SLC) guidance and university prospectus.

Students can also access The Student Room webpage, where SLC provide articles on student loans and staff from SLC are available in the online forums to answer direct questions from individual students five days a week.

Access to this information up-front ensures that prospective students can weigh up the likely overall costs and benefits to them of undertaking higher education, alongside the financial cost of repayment across the length of the loan period. Additionally, for those who may still be unclear about the long-term commitment of a student loan, a potential borrower may seek other independent advice before accepting the terms and conditions.

The government is capping the maximum interest rates on Plan 2 and 3 student loans at 6% for the 2026/27 academic year. It does not resolve all of the issues with the Plan 2 system, which was designed and implemented by previous government. We are considering how to make the system fairer, but to be fiscally responsible we must consider how any change would be funded.

Grouped Questions: 2654

Source

## **Department for Education: Students: Part-time Education**

**James McMurdock MP (South Basildon and East Thurrock) (Ind):** To ask the Secretary of State for Education, how many students will be required to repay (a) maintenance loans and (b) grants following the reclassification of their courses as distance learning. (2508) (Department for Education)

**Josh MacAlister MP (Whitehaven and Workington) (Lab):** As of 20 May 2026, the department is aware of 24,689 students that have been affected by the issue of higher education providers incorrectly classifying weekend-only courses on the Student Loans Company's (SLC) course management system.

The number of affected students is based on the latest data submitted by providers to the SLC. This number may differ from previously reported figures due to updated data submitted by providers.

The SLC and the Office for Students are working closely with providers to ensure students are given the necessary support and advice, including access to hardship support where appropriate

To provide clarity for students, we have instructed the SLC to recover loan payments through the student loan system in line with existing loan terms, and to pause any action on recovery of targeted grant funding until at least September while we review the position.

Grouped Questions: 2505

Source

## Department for Education: Students: Finance

**James McMurdock MP (South Basildon and East Thurrock) (Ind):** To ask the Secretary of State for Education, what steps her Department is taking to help ensure that students are not disadvantaged by errors made in the initial approval of student finance. (2511) (Department for Education)

**Josh MacAlister MP (Whitehaven and Workington) (Lab):** As part of our work to protect public money in higher education (HE), we take swift and proportionate action to identify fraud and error in the student finance system.

Where fraud or error has been identified, students may be required to repay the funding they have received in error. The Student Loans Company (SLC) will agree affordable and flexible repayment plans with students, with low or deferred repayments where students face hardship, so that no one is asked to repay more than they can reasonably afford.

Where the fault is due to provider error, we expect education providers to put in place appropriate hardship support so that students receive the help they need. This is essential to safeguard students and taxpayers' money and ensure the system operates fairly for all.

To provide clarity for students affected by the weekend course issue, we have instructed the SLC to recover loan payments through the student loan system in line with existing loan terms, and to pause any action on recovery of targeted grant funding until at least September while we review the position.

The SLC is also working closely with providers who have misclassified weekend courses to identify students transferring onto eligible courses and the department is working to understand the number of students who will remain on distance learning courses and so do not receive additional maintenance grants and loans (in addition to tuition fees loans, and Disabled Students' Allowance where relevant).

As part of our work to reinforce protections to public money, we are strengthening oversight and assurance to ensure course classifications are applied consistently, transparently, and in a way that cannot be misused or inadvertently misapplied in ways that mislead students and risk public funds. The Office for Students (OfS) is looking at this issue closely and will consider whether further regulatory engagement or action is required. Additionally, the department is reviewing the Education (Student Support) Regulations 2011 in relation to attendance and distance-learning classifications and will update the sector as this work progresses.

Much of the affected provision is delivered under franchise. This is a part of the sector where the department and the OfS have highlighted significant concerns in terms of oversight and exploitation and where we are already tightening oversight. My right hon. Friend, the Secretary of State for Education, wrote to the HE sector on

9th December 2025 setting out her expectations to identify abuse of the HE system and provide students and taxpayers with assurance that money is being well spent.

Grouped Questions: 2506, 2507, 2509, 2510

Source

## Department for Education: Students: Finance

**Siân Berry MP (Brighton Pavilion) (Green):** To ask the Secretary of State for Education, whether she plans to reform the student finance system; and what assessment she has made of the potential merits of (a) reintroducing maintenance grants on a universal basis and (b) a full review of undergraduate and postgraduate loan structures, including Plan 2 and Plan 5 loans. (2657) (Department for Education)

**Josh MacAlister MP (Whitehaven and Workington) (Lab):** The government is taking decisive action to make the student loans system fairer. We are capping Plan 2 and Plan 3 interest rates for 2026/27 to protect borrowers from the risk of inflation shocks; future-proofing maintenance loans by increasing them in-line with forecast inflation every year; and reintroducing targeted, means-tested maintenance grants of up to £1,000 per year from 2028/29, funded by a new levy on providers for international students.

Maintenance grants will be available to students studying subjects that support the government's missions and the Industrial Strategy, in-line with our ambition to deliver a more sustainable, more specialised and more efficient higher education sector, better aligned with the needs of our economy.

We are continuing to look at ways to make the system fairer for students, graduates, taxpayers and the sector, while keeping our higher education system financially sustainable so it can deliver now and for future generations.

Source

## Sector news

### **Skills England Annual Skills Report and Sectoral Skills Needs Assessments 2026**

On 1 June, Skills England published its **Annual Skills Report 2026**, alongside sectoral Skills Needs Assessments for ten priority sectors, including advanced manufacturing, clean energy, construction, creative industries, defence, digital and technologies, financial services, health and adult social care, life sciences, and professional and business services. The report identifies five main challenges for the skills system: addressing skills shortages, increasing employer investment in skills, responding to AI adoption, improving young people's employability, and building a more locally responsive skills system.

You can [read the full report](#).

### **Regional leaders to get more power over innovation funding to drive local jobs and growth**

On 1 June, the Department for Science, Innovation and Technology announced that mayors in England will be given greater control over future regional R&D investment through the **Local Innovation Partnerships Fund**. The change, expected to take effect in the next Spending Review period, will allow Established Mayoral Strategic Authorities to decide how innovation funding is targeted locally, including in areas such as Liverpool City Region, West Yorkshire, South Yorkshire, Greater Manchester, the North East and Greater London.

You can [read the full announcement](#).

### **Extending Opportunity - Russell Group report**

On Tuesday 2 June, the Russell Group published a new briefing, **Extending Opportunity: Widening Access to Postgraduate Study**, calling for stronger action across government, regulators and the sector to widen access to postgraduate education. The briefing argues that while progress has been made on undergraduate access, this has not yet translated into equal opportunity at postgraduate level, despite postgraduate qualifications becoming increasingly important to the UK's skills, research and growth ambitions.

The Russell Group highlights financial barriers, childcare costs, and unequal access to research experience and professional networks as key obstacles for students from underrepresented backgrounds. It calls on government to reform postgraduate financial support and make all postgraduates eligible for childcare support, while also urging UKRI and the Office for Students to support better data, best practice and targeted interventions.

You [can read the full report](#).

## **NatCen British Social Attitudes 43: Higher education**

On 2 June, the National Centre for Social Research published a British Social Attitudes report on public attitudes to higher education in England. The report finds that the idea that the higher education sector is “too large” remains a minority view: 37% think opportunities for young people to go into higher education should be increased, 41% think they are at about the right level, and 18% think they should be reduced. However, support for reducing opportunities has risen by seven percentage points since 2017.

The findings suggest public attitudes towards the value of university have become more sceptical. The proportion agreeing that a university education “just isn’t worth the time and money it usually takes” has risen from 14% in 2005 to 34% in 2025, while the proportion who think graduates end up “a lot better off financially” has fallen from 50% to 36%. NatCen also finds that 77% do not think a university degree represents good value for money at the current cost, compared with 51% in 2014.

On student finance, there remains majority support for at least some students or families contributing to tuition costs, but this has weakened. Sixty-nine per cent think all or some students/families should pay, down from 77% in 2004, while 27% think no students or families should pay, the highest level recorded. NatCen also reports that 61% think the maximum annual tuition fee should be below the current £9,535 cap.

The report is also politically relevant on international students. NatCen finds that 67% of people in England think government should set limits on the number of international students universities can recruit, compared with 29% who think universities should be free to recruit as many as they want. Support for limits is highest among Reform and Conservative supporters, but is also backed by majorities of Labour, Liberal Democrat and Green supporters.

You [can read the full report](#).

## Student sponsor guidance update

On 1 June, UK Visas and Immigration updated its student sponsor guidance, introducing a new Basic Compliance Assessment framework and a red-amber-green rating system for institutions sponsoring international students. The revised framework applies to BCAs submitted from 1 June 2026 and toughens two of the three core metrics: visa refusal rates must now be below 5%, down from 10%, and enrolment rates must be at least 95%, up from 90%. The course completion requirement remains 85% for now, but will rise to 90% for BCAs submitted from 1 June 2027.

Under the new RAG system, sponsors will receive an overall rating based on their lowest-performing metric, rather than an aggregate score. Red ratings apply where a sponsor fails a core requirement, while amber ratings apply where performance is close to the threshold, for example a visa refusal rate of 4% to under 5%, enrolment between 95% and under 96%, or course completion between 90% and under 92%. Individual ratings will not be published until every sponsor has received its first rating under the new framework, at which point all results will be uploaded simultaneously to the Register of Student Sponsors.

You can [read the full guidance](#).

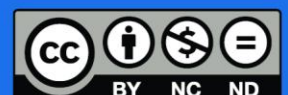


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