Universities UK

Political Affairs Digest

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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: politicalaffairs@universitiesuk.ac.uk

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Parliamentary business

Autumn Budget 2026 – Commons statement and debate

On Wednesday 28 October, Chancellor John Healey MP (Labour) delivered the 2026 Autumn Budget in the House of Commons, setting out the Government's approach to economic growth, public spending, taxation and investment. The Chancellor said the Budget was intended to provide immediate support for households and businesses facing rising costs while driving longer-term growth through innovation, entrepreneurship and devolution.

The Budget included several announcements directly relevant to universities, international students, research and skills.

International students and immigration

The Government announced that it will extend the Graduate visa to two years for graduates of universities demonstrating high levels of sponsor compliance and strong labour market outcomes. This represents a change from the previously announced reduction of the Graduate route to 18 months. However, the extension will not apply automatically to all universities, and further detail will be needed on the eligibility criteria and how institutions will be assessed.

The Chancellor also confirmed plans to expand the High Potential Individual visa route to graduates from the world's top 150 universities, with a corresponding increase in the route's cap. The Government will also implement Migration Advisory Committee recommendations on salary requirements for skilled workers from spring 2027, including changes to occupation-specific thresholds and discounts for new entrants.

The Budget also confirmed that the UK will participate in Erasmus+ from 1 January 2027, with provision made for the associated student loan and delivery costs.

Research, innovation and commercialisation

The Budget reaffirmed the Government's commitment to supporting research commercialisation and regional innovation, including the previously announced £1 billion investment in regional innovation clusters over four years.

It highlighted UKRI's £19.75 million Collaboration for a Sustainable Future programme and £16 million of proof-of-concept funding to support university partnerships and research commercialisation. The Government also confirmed several major research

infrastructure investments, including £424 million to develop the John Innes Centre and Sainsbury Laboratory at Norwich Research Park into a national hub for plant and microbial science.

Additional investments include £18 million for a UK Advanced Chip Design Academy led by the University of Edinburgh and £7.5 million for Queen's University Belfast's Centre for Secure Information Technologies Cyber AI Hub.

The Chancellor also announced more than £1 billion in private investment in life sciences, supported by almost £70 million of government grant funding. The investment includes new facilities and research activity in Manchester, Oxford and Loughborough.

AI and emerging technologies

The Government announced further investment in sovereign AI capabilities, including an additional £120 million for the AI Security Institute, £165 million for a National AI Biosecurity Initiative and £140 million in additional funding for the Sovereign AI Unit.

The Budget also includes £80 million to expand challenge-led AI research and development procurement, allowing British AI companies to develop solutions to challenges in areas including healthcare, AI security and defence.

Higher education regulation and skills

The Budget confirmed that, from the 2028–29 academic year, franchised higher education providers in England with 300 or more students will be required to register with the Office for Students for their courses to remain eligible for student finance.

On skills and youth employment, the Government announced £100 million over two years to expand mayoral apprenticeship brokerage services across England. The funding will extend support to all 14 existing Mayoral Strategic Authorities, helping employers, particularly SMEs, create more apprenticeship opportunities for young people.

The Government will also pilot a Young Entrepreneurs Allowance to support eligible young people with living costs during the first year of starting a business.

Regional growth and devolution

The Chancellor presented fiscal devolution as a central part of the Government's economic strategy, with plans to provide mayors and local authorities with greater control over funding and economic development. The Budget explicitly identifies partnerships between local leaders, businesses and universities as important to driving regional innovation and growth.

During the subsequent debate, Daniel Zeichner MP (Labour) welcomed the Government's plans for fiscal devolution and support for innovation and entrepreneurs.

Drawing on Cambridge's research and innovation strengths, he highlighted findings presented at the recent Innovate Cambridge summit which ranked Cambridge second globally and first in Europe for innovation cluster density in 2026. He also referred to research identifying 740 university spinouts across the Oxford–Cambridge growth corridor.

Zeichner argued that the UK remained particularly strong at generating start-ups but faced challenges in helping businesses scale. He welcomed measures involving the National Wealth Fund and British Business Bank, arguing that the Oxford–Cambridge growth corridor could help drive prosperity beyond the region itself.

The Universities UK Public Affairs team engaged with Daniel Zeichner MP ahead of the Budget.

You can read the full Budget statement and supporting documents and watch the subsequent Commons debate.

Higher education funding – Westminster Hall debate

On Wednesday 28 October, Abtisam Mohamed MP (Labour) led a Westminster Hall debate on higher education funding, bringing together MPs from across the political spectrum to discuss the financial pressures facing universities and the longer-term sustainability of the sector.

Universities UK worked closely with Abtisam Mohamed ahead of the debate, with the Public Affairs team also briefing parliamentarians on the financial challenges facing universities and the importance of securing a sustainable funding model.

Opening the debate, Mohamed highlighted the economic and social contributions of universities, including their roles in training healthcare professionals, teachers and engineers, supporting local economies and delivering research and innovation.

She cited Sheffield Hallam University's contribution to the NHS and teacher training, alongside the University of Sheffield's estimated £4.82 billion economic contribution, arguing that universities were being asked to deliver increasingly ambitious national objectives without sufficient financial resources.

Financial sustainability and the funding model

Mohamed referred to the Education Committee's recent report on higher education funding and the threat of insolvency, arguing that the real-terms erosion of domestic tuition fee income and insufficient public investment had left institutions increasingly financially vulnerable.

She highlighted OfS forecasts that a substantial proportion of English providers would be in deficit and raised concerns about the consequences of university restructuring, including staff redundancies, course closures and the loss of research capacity.

Mohamed also cited Universities UK data indicating that nearly eight in ten universities had pursued voluntary redundancies in recent years, with a similar proportion implementing recruitment freezes.

Several MPs reinforced these concerns. Neil Duncan-Jordan MP (Labour) highlighted the consequences of financial pressures for university staff and argued that increased competition between providers had contributed to instability. Pam Cox MP (Labour) emphasised the importance of universities as regional economic and civic institutions, while Jim Shannon MP (DUP) highlighted the financial difficulties facing universities in Northern Ireland, particularly Ulster University.

International students and the International Student Levy

The proposed International Student Levy was a major theme throughout the debate.

Mohamed argued that universities had become increasingly dependent on international student fee income because domestic teaching and research funding had failed to keep pace with costs. She questioned the Government's decision to fund maintenance grants through the levy, warning that additional costs could undermine international recruitment and further weaken university finances.

Dr Rupa Huq MP (Labour) similarly raised concerns about the levy, highlighting its potential impact on institutions already experiencing falling international student recruitment. She questioned whether maintenance grants should be funded through international student income and raised concerns about the restriction of grant eligibility to particular subjects aligned with Government priorities.

Ian Sollom MP (Liberal Democrat) called for the Government to reconsider the levy before it was legislated for, arguing that the financial consequences could be particularly significant for institutions already facing recruitment challenges.

Responding for the Government, Education Minister Georgia Gould MP (Labour) reiterated that international students remained welcome and noted that they contributed £12.7 billion in fee income in 2023–24, accounting for almost a quarter of sector income.

She defended the levy as part of a wider package of reforms that included inflation-linked tuition fee increases and the reintroduction of maintenance grants. She confirmed that the £925 annual charge would apply from 2028–29, with an allowance for the first 220 international students at each provider, and said the revenue would be reinvested in higher education and skills.

Gould also confirmed that an updated impact assessment would be published ahead of the Finance Bill.

Student finance and access

Several MPs raised concerns about the balance between public and private contributions to higher education and the growing financial burden on students and graduates.

Darren Paffey MP (Labour) argued that the current student finance system disadvantaged students from lower-income households, who were more likely to need the maximum available loans. He questioned the long-term fairness of repayment arrangements and called for a more sustainable balance between government and individual contributions.

Other contributions highlighted the pressures created by maintenance support failing to keep pace with living costs, the operation of student loan interest and repayment thresholds, and the importance of ensuring that financial pressures do not restrict access to higher education.

In response, Gould pointed to the Government's commitment to increase maintenance loans annually in line with forecast inflation and to introduce targeted maintenance grants of up to £1,000 per year from 2028–29.

She also highlighted the cap on Plan 2 and Plan 3 loan interest rates at 6% for 2026–27 and increases to the Plan 2 repayment threshold.

University restructuring and institutional failure

Sollom raised concerns about the absence of a formal special administration regime for universities experiencing severe financial distress.

He referred to the Education Committee's recommendation for a regime that would allow teaching to continue while an institution's future was resolved and questioned the Government's decision not to introduce one.

He also raised the cost of employer contributions to the Teachers' Pension Scheme for many post-1992 universities and the VAT treatment of shared services, arguing that these presented barriers to institutional efficiency and financial sustainability.

Sollom called for a package of reforms including low-interest restructuring loans, changes to the timing of student loan fee payments and measures to make collaboration between providers easier.

Government response

In her concluding remarks, Gould reaffirmed the Government's commitment to supporting a sustainable higher education system.

She highlighted the restoration of inflation-linked increases in tuition fee caps for 2025–26, 2026–27 and 2027–28, alongside plans to legislate for automatic future increases when parliamentary time allows.

She said the Government's post-16 education and skills reforms would support a more sustainable and collaborative sector, with a stronger emphasis on student outcomes, flexible learning and the relationship between higher education, technical qualifications and apprenticeships.

Gould also highlighted the Lifelong Learning Entitlement, which will enable eligible students to finance individual modules alongside full qualifications from January 2027.

The debate concluded without a vote, and several issues raised by MPs, including the longer-term balance of public and private funding and a potential university special administration regime, remain unresolved.

You can watch the debate and read the full transcript.

Entrepreneurship and business – BIST Committee oral evidence session

On Tuesday 27 October, the Business, Innovation, Science and Trade Committee held its first oral evidence session as part of its new inquiry into entrepreneurship and business.

The Committee heard evidence from representatives of entrepreneurial organisations, investors and small businesses across three panels, including Professor Mark Hart of Global Entrepreneurship Monitor UK, Professor Monder Ram of Aston University, Philip Salter of The Entrepreneurs Network, Jordan Dargue of Lifted Ventures, and representatives of the British Business Bank and UK Private Capital.

The session examined the UK's entrepreneurial environment, access to finance, regional disparities and the barriers facing people seeking to establish and grow businesses.

Entrepreneurship and business growth

Professor Hart said recent Global Entrepreneurship Monitor research indicated that the number of new entrepreneurs had doubled over the previous three years. However, he warned that this increase was not translating into a corresponding growth in sustainable businesses, with many closing within their first three years.

He highlighted higher rates of business creation among women and young people but also greater difficulties for these groups in maintaining and growing their businesses.

Hart said the UK's international ranking for its entrepreneurial environment had fallen from 29th to 37th. He called for stronger entrepreneurship education, better infrastructure, greater financial incentives and improved awareness of available business support.

He suggested that the UK could learn from initiatives in countries such as Germany and France, including grants for younger entrepreneurs, and recommended closer links between start-up loans and universities.

Access to finance and university spinouts

Access to finance was a central concern throughout the session.

Philip Salter argued that the Government should improve support for young entrepreneurs through grants and mentoring, while also reforming the R&D tax credit system to make it easier for innovative businesses to access support.

Matt Adey highlighted the British Business Bank's regional angel investment programmes and work to connect investors with businesses outside established financial centres.

Michael Moore acknowledged that London would continue to attract significant investment because of its position as a global financial centre but argued that greater support was needed for businesses in other regions.

He specifically highlighted the opportunity to help university spinouts develop into successful local businesses, retaining investment, jobs and economic benefits within their regions.

International talent and entrepreneurship

Salter argued that the UK remained successful in attracting international entrepreneurs and innovators but that visa costs and uncertainty could discourage talented individuals from establishing businesses in the country.

He recommended reforms to the entrepreneur visa system and an expansion of the High Potential Individual visa route to include a wider range of graduates, including business school graduates.

Women and ethnic minority entrepreneurs

Jordan Dargue highlighted barriers facing female-led businesses, particularly access to investment and the underrepresentation of women among investors.

She said only 13% of angel investors were women, with investment activity concentrated disproportionately in southern England.

Dargue recommended a Government-backed co-investment fund to encourage more female angel investors to support women-led companies.

Professor Ram similarly highlighted the economic potential of ethnic minority businesses, suggesting that their contribution to the UK economy could rise substantially if barriers to finance and business support were addressed.

He called for better data on ethnic minority businesses and suggested that public procurement could help create opportunities for underrepresented entrepreneurs.

Skills, apprenticeships and small businesses

The final panel focused on the challenges facing tradespeople, market traders and high street businesses.

Lee Wilcox, Chief Executive of On The Tools, raised concerns about the number of people leaving construction courses without progressing into employment. He said a shortage of suitable work experience and apprenticeship opportunities was contributing to high dropout rates, with SMEs often unable to take on students because of rising costs and uncertainty.

Witnesses called for additional support to enable small businesses to provide apprenticeships and work placements, alongside measures addressing late payments, commercial property costs and access to finance.

The inquiry remains open for written evidence until 12 November.

You can watch the full session and read more about the inquiry.

Forthcoming business

Autumn Budget 2026 – continuation of Commons debate

On Monday 2 November and Tuesday 3 November, the House of Commons will continue and conclude its debate on the Autumn Budget.

MPs are expected to scrutinise the Government's taxation and spending measures, including announcements relating to regional growth, research and innovation, apprenticeships, immigration and the wider economic outlook.

The debate will conclude on Tuesday 3 November, when MPs will consider the Budget resolutions.

You can follow the Budget debate on Parliament's website.

Treasury – Oral questions

On Tuesday 3 November, at 11.30am, Chancellor John Healey MP and his Treasury ministerial colleagues will answer oral questions in the House of Commons.

The session follows the Autumn Budget and provides an opportunity for MPs to question ministers on the Government's latest economic and fiscal measures.

Budget 2026 – Treasury Committee oral evidence sessions

On Tuesday 3 November, at 9.45am, the Treasury Committee will hold an oral evidence session examining the Autumn Budget.

The Committee will hear from Ruth Curtice, Chief Executive of the Resolution Foundation; Helen Miller, Director of the Institute for Fiscal Studies; Professor Tony Travers; and Sanjay Raja, UK Chief Economist at Deutsche Bank.

On Wednesday 4 November, at 2.15pm, the Committee will hear from members of the Office for Budget Responsibility's Budget Responsibility Committee, including Professor Jonathan Haskel CBE, Tom Josephs and Professor David Miles CBE.

The sessions will examine the economic assumptions, fiscal implications and distributional consequences of the Budget's measures.

You can read more about the inquiry and watch the sessions.

The work of the Department for Education – Education Committee oral evidence session

On Wednesday 4 November, at 10.00am, the Education Committee will hold an oral evidence session examining the work of the Department for Education.

The Committee will hear evidence from the Secretary of State for Education, Rt Hon Lucy Powell MP.

The session comes amid the implementation of the Government's post-16 education and skills reforms and continuing scrutiny of higher education funding, student finance, apprenticeships and university financial sustainability.

You can watch the session and read more about the Committee's work.

Potential merits of a national lifelong learning strategy – Westminster Hall debate

On Wednesday 4 November, from 11.00am to 11.30am, Paul Davies MP (Labour) will lead a Westminster Hall debate on the potential merits of a national lifelong learning strategy.

Davies, who chairs the APPG on Tackling Loneliness and Connected Communities, has previously raised concerns about the number of adults lacking essential skills, including literacy and numeracy, and highlighted the contribution adult education can make to employment, community participation and wellbeing.

The debate comes shortly after the launch of applications for the Lifelong Learning Entitlement and the publication of the APPG for Further Education and Lifelong Learning's report calling for a renewed national approach to adult learning.

You can follow the debate on Parliament's website.

Written questions and statements

Department for Education: Universities: Workplace Pensions

Neil Duncan-Jordan MP (Poole) (Lab): To ask the Secretary of State for Education, whether she has made an assessment of the adequacy of future pension arrangements of UK university staff who are transferred to subsidiary companies by their employer. (36054) (Department for Education)

Josh MacAlister MP (Whitehaven and Workington) (Lab): The government recognises that a number of universities are adopting subsidiary models in a variety of circumstances. Higher education providers are independent from government and as such are responsible for their own decisions about their workforce. However, in any decisions affecting staff, the government expects providers to abide by all relevant legislation, including requirements under employment law pension requirements. The government also expects providers to engage constructively with their workforce when considering any changes that may affect them.

Grouped Questions: 36053

Source

Department for Education: British Students Abroad: Languages

Darren Paffey MP (Southampton Itchen) (Lab): To ask the Secretary of State for Education, what assessment her Department has made of the financial and administrative barriers faced by UK modern languages students required to undertake a year abroad as part of their degree, including the costs and delays associated with obtaining student visas for EU countries; what assessment she has made of the potential impact of those barriers on students from lower-income backgrounds; and whether she has had discussions with universities and relevant European governments on reducing visa costs, simplifying application processes and improving support for students undertaking compulsory periods of study abroad. (24729) (Department for Education)

Josh MacAlister MP (Whitehaven and Workington) (Lab): The government is committed to supporting the study of modern foreign languages.

The UK has taken the positive step to join Erasmus+ in 2027. This will increase opportunities for students to study, train and undertake work placements abroad, enabling more young people to gain valuable international experience and develop their language skills.
Erasmus+ also includes measures to make international mobility more accessible, providing additional funding and practical support to help people with fewer opportunities take part, including those from disadvantaged backgrounds.
The British Council, which is set to become the National Agency for Erasmus+, will be able to provide practical support to students wishing to take part, along with the participating university.

Source

Department for Education: Students: Loans

Lord Empey (UUP): To ask His Majesty's Government whether loans from Student Finance England are being advanced to students from countries with a poor record of repayment. (HL4046) (Department for Education)

Baroness Smith of Malvern: Education is a devolved matter, and the response outlines the information for England only.

Eligibility for student finance is not based on nationality, but on immigration status and residency. This ensures that access to support reflects an individual's established connection to the UK rather than their nationality alone.

Generally, a student must be ordinarily resident in England and be settled or have a recognised connection with the UK to be eligible. They must also have been ordinarily resident in the UK and Islands, including the Channel Islands and the Isle of Man, for the three years preceding the first day of the first academic year of their course. Those granted international protection by the Home Office do not need to have settled status or meet the usual three-year ordinary residence requirement.

When a borrower moves overseas, their obligation to repay their student loan remains. If a borrower chooses not to engage with the Student Loan Company (SLC), arrears will build up on the student loan account. The SLC work with a debt collection agency to target borrowers with outstanding arrears. Further action, including legal proceedings, may also be taken to recover the debt.

Written Ministerial Statement - Future of Technology

Statement made by John Healey, The Chancellor of the Exchequer

AI is an age-defining technological change. The government will ensure AI is a force for good, strengthening the UK's security and resilience and protecting against emerging threats. This will ensure the UK can shape the change AI will bring, seize the opportunities it presents, and not be left vulnerable or dependent on other countries.

The economic opportunities from AI will only be realised if our critical infrastructure, public services and businesses are resilient to emerging threats. The Government will invest £165 million in a new National AI Biosecurity Initiative, including £100 million for an AI Biosecurity Lab and £65 million to strengthen biosurveillance and develop medical countermeasures.

We will provide an additional £120 million for the AI Security Institute to strengthen its testing and research and develop technical standards to help mitigate AI risks. We will also invest £60 million in a National Cyber Shield, including a £25 million challenge fund for UK AI and cyber-security innovators, and establish a £70 million National Exposure and Real-Time Vulnerability Centre to identify cyber vulnerabilities across our critical infrastructure and economy. A further £24m in investment will support the systematic hardening of the public sector technology estate.

Alongside protecting against emerging risks, the Government will strengthen the capabilities needed to ensure Britain can shape its own economic future. We will provide an additional £60 million for the Sovereign AI Fund to invest in promising UK AI companies, including a new focus on physical and industrial AI; a further £60 million for the Sovereign AI R&D Procurement Scheme; and £18 million for a new UK Advanced Chip Design Academy to strengthen advanced chip-design capability.

Every part of the country must be able to benefit from AI. We will start by piloting local AI partnerships with Mayoral Strategic Authorities, bringing together local leaders, businesses and education providers to pursue locally-led approaches to AI adoption. We will provide £15 million for an AI Challenge Prize to incentivise innovators to develop AI solutions to frontline public service challenges, with a first year's focus on health, and £10m per year for the AI Economics Institute to lead the UK's work in understanding the evidence on AI's impact on productivity, growth, jobs and living standards. The Government will also establish a new AI Cyber Security Centre of Excellence in Manchester to train the next generation of cyber and AI experts.

Together, these measures will strengthen Britain's security and resilience, build domestic capability and help ensure that people across the country benefit from AI.

Department for Business, Innovation, Science and Trade : Recruitment: Graduates

Sarah Olney MP (Richmond Park) (Lib Dem): To ask the Secretary of State for Business, Innovation, Science and Trade, what assessment he has made of the potential impact of automated recruitment processes on graduates. (36057) (Department for Business, Innovation, Science and Trade)

Kate Dearden MP (Halifax) (Lab): The government has not specifically assessed the potential impact of automated recruitment processes on graduates.
However, it recognises concerns raised by young people who contributed to Alan Milburn's interim review of the rise in the number of 16 to 24-year-olds who are not in education, employment or training (NEET). Many reported submitting large numbers of job applications but receiving either no response or only automated rejections.
The government is considering these concerns and will respond to any recommendations arising from Alan Milburn's final review once it is published.

Source

Department for Education: Students: Fees and Charges

Kate Osamor MP (Edmonton and Winchmore Hill) (Lab): To ask the Secretary of State for Education, what assessment she has made of the potential impact of home-fee eligibility rules on young people who entered the UK lawfully as dependants of work visa holders before the age of 18. (35786) (Department for Education)

Josh MacAlister MP (Whitehaven and Workington) (Lab): Generally, to qualify for automatic home fee status in England, a person must have settled status and three years ordinary residence in UK. The department recognises that some young people who entered the UK lawfully as dependants of work visa holders may have lived in the UK for a significant period before entering higher education but may not yet have acquired settled status.
The government, therefore, introduced a long-residence category to enable young people with a substantial connection to the UK to qualify for home fee status, despite not being settled, subject to meeting certain residency requirements.
Dependants of work visa holders may qualify for home fee status where they meet the relevant eligibility requirements.

Source

Department for Education: Students: Loans

Freddie van Mierlo MP (Henley and Thame) (Lib Dem): To ask the Secretary of State for Education, what recent assessment has been made of the potential impact of student loan interest rates on total debt; and what legislative steps are being taken to lower the overall debt burden on recent graduates. (35753) (Department for Education)

Josh MacAlister MP (Whitehaven and Workington) (Lab): The department recently published a set of statistics presenting analysis of earnings and lifetime repayment forecasts for student loans in England, which looks at the level of earnings required to reduce student loan balances, taking interest accrual into account. These statistics are available at: https://explore-education-statistics.service.gov.uk/find-statistics/student-loan-forecasts-earnings/2025-26.
The government has capped 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 the issues with the inherited Plan 2 system. We are considering a range of options to make the system fairer. However, to be fiscally responsible, we must consider how any change would be funded.

Source

Foreign, Commonwealth and Development Office: China General Technology Research Institute: Academic Technology Approval Scheme

Alicia Kearns MP (Rutland and Stamford) (Con): To ask the Secretary of State for Foreign, Commonwealth and Development Affairs, whether reforms will be made to the Academic Technology Approval Scheme in the context of MI5's alert over the China General Technology Research Institute's links to UK universities. (36497) (Foreign, Commonwealth and Development Office)

Chris Elmore MP (Bridgend) (Lab): We have no current plans to reform the Academic Technology Approval Scheme (ATAS) in connection with this issue. We keep the scheme constantly under review to ensure it remains relevant and appropriately targeted.
ATAS requires certain international students and researchers to obtain clearance before undertaking postgraduate programmes or research in areas that could present proliferation risks to the UK.
Universities remain responsible for due diligence on their international research

collaborations, supported by advice on research security from the Research Collaboration Advice Team in the Department for Business Innovation Science and Trade.

Source

Home Office: Visas: Overseas Students

Bell Ribeiro-Addy MP (Clapham and Brixton Hill) (Lab): To ask the Secretary of State for the Home Department, how many students holding a Confirmation of Acceptance for Studies were refused entry clearance after their course start date had passed in each of the last five years. (36884) (Home Office)

Jo White MP (Bassetlaw) (Lab): Entry clearance officers receive full training and guidance on conducting credibility interviews and assessing the genuine student requirement. Decisions are made by trained decision makers in accordance with the Immigration Rules and published guidance, supported by quality assurance processes.
The Department's guidance on the Genuine Student requirement does not require applicants to compare study in the UK with study in other countries. Applications are assessed on their individual merits against the requirements of the Immigration Rules and the evidence available to the decision maker.
Where a credibility interview is conducted, the information obtained forms part of the evidence considered in reaching a decision. This may include consideration of the applicant’s reasons for studying in the UK, knowledge of their course, career plans and English language ability.
UKVI uses forecasting to inform operational resourcing and ensure sufficient capacity to meet anticipated demand. Student route applications are considered on their individual merits by trained decision makers in accordance with the Immigration Rules and published guidance, with established quality assurance processes supporting consistent and robust decision making.
Artificial intelligence and large language models are not used to make decisions on Student route applications. Where an application is refused, the decision is made by a trained decision maker, and the reasons are set out in the refusal notice. Standard refusal wording is available to support consistency, but where an application is refused under paragraph ST 5.1 of Appendix Student, the decision maker must set out the reasons for concluding that the applicant is not a genuine student, taking account of the individual circumstances and evidence.
The Home Office publishes data on Student visas granted to main applicants in the Immigration System Statistics.
Information on the proportion of Student route refusals reviewed by an Entry Clearance Manager, the number of Student route refusal notices identified as containing errors through quality assurance, and the number of applicants holding a Confirmation of Acceptance for Studies who were refused entry clearance after their

course start date had passed is not centrally held and could only be obtained and verified at disproportionate cost.

Grouped Questions: 36875, 36876, 36877, 36878, 36879, 36880, 36881, 36882, 36883

Source

Home Office: Universities: Espionage

Alicia Kearns MP (Rutland and Stamford) (Con): To ask the Secretary of State for the Home Department, if her Department will issue guidance warning universities against collaborating with China' s University of International Relations in the context of the MI5 alert on the China General Technology Research Institute. (36494) (Home Office)

Rt Hon Dan Jarvis MP (Barnsley North) (Lab): The recent espionage alert on the China General Technology Research Institute is an operational decision taken by MI5. It would not be appropriate to comment on action relating to other institutions. However, the Research Collaboration Advice Team (RCAT) in the Department for Business, Innovation, Science and Trade (BIST) work directly with research institutions across the country to help them identify, manage and mitigate national security risks in international research.
RCAT's work is underpinned by Trusted Research guidance from the National Protective Security Authority (NPSA) and National Cyber Security Centre (NCSC) and by a robust legislative framework that includes the Academic Technology Approvals Scheme, Export Controls and the National Security and Investment Act.

Source

Department for Education: Universities: Admissions

Neil Duncan-Jordan MP (Poole) (Lab): To ask the Secretary of State for Education, what assessment she has made as of the potential merits of placing a cap on student numbers for each university. (36052) (Department for Education)

Josh MacAlister MP (Whitehaven and Workington) (Lab): When parliamentary time allows, the government intends to develop legislative options to limit the growth of some courses with poor earning returns at some providers. This would not be a blanket cap on student numbers, but a focused measure to support the sector to prioritise provision that delivers good value for students and the taxpayer. Further work will inform the detailed design of any future measures.

Separately, the Office for Students has consulted on applying recruitment limits to providers with certain ratings under future Teaching Excellence Framework assessments, restricting growth until improvement is demonstrated. This is intended to help drive quality improvements.

Source

Department for Education: Students: Loans

Zöe Franklin MP (Guildford) (Lib Dem): To ask the Secretary of State for Education, whether she has made an assessment of the potential merits of requiring the Student Loans Company to waive retrospectively applied interest charges on Plan 2 student loans where incorrect interest rates were originally applied due to administrative errors by the Student Loans Company or HM Revenue and Customs; and what assessment she has made of the potential financial impact of those retrospective corrections on affected borrowers. (35805) (Department for Education)

Josh MacAlister MP (Whitehaven and Workington) (Lab): The two technical errors relating to plan 2 affected 71,000 customers as the interest was not calculated accurately based on their level of earnings. The errors meant 41,000 customers were not charged enough interest and 30,000 customers were charged too much interest. Accounts have now been corrected, meaning that 41,000 customers have an increased balance and 30,000 customers have seen their balance decrease. Customers who had their accounts adjusted will see no change to their monthly payments, as these are based on an individual's salary rather than the amount owed. Of the 30,000 accounts who will see their balance decrease, over 3,000 customers (who have paid off their loans) will see a refund. Those who have already paid off their loan in full will not have to start repaying again.

Source

Department for Education: Universities: Sexual Offences

Shivani Raja MP (Leicester East) (Con): To ask the Secretary of State for Education, what guidance her Department provides to higher education institutions on standardised recording of sexual offenses. (35779) (Department for Education)

Josh MacAlister MP (Whitehaven and Workington) (Lab): The government is clear that sexual harassment and sexual violence have no place in higher education. The findings of the Office for Students' (OfS) sexual misconduct survey are deeply troubling and underline the importance of effective prevention, reporting and

support.
Universities are autonomous bodies and are responsible for their own student behaviour codes of conduct, and for taking action through their disciplinary procedures. However, there is regulatory oversight from the OfS' Harassment and Sexual Misconduct Registration Condition, which requires registered providers to publish accessible, comprehensive policies and properly resourced arrangements to prevent and respond to harassment and sexual misconduct. Providers must also train their students and staff in consent and bystander intervention and have effective procedures for reporting and investigating incidents.
This regulatory action is designed to reduce the incidence of harassment and assault. The department is arranging to monitor the impact of the OfS' requirements and identify examples of effective practice.

Grouped Questions: 35776, 35777, 35778

Source

Department for Education: Overseas Students: Gaza and Ukraine

Tahir Ali MP (Birmingham Hall Green and Moseley) (Lab): To ask the Secretary of State for Education, what the policy rationale is for granting home fee status to students arriving under the Ukraine visa schemes, and whether she has considered extending equivalent fee status to students from Gaza. (36289) (Department for Education)

Josh MacAlister MP (Whitehaven and Workington) (Lab): To qualify for automatic home fee status in England, a person must generally be settled and have three years ordinary residence in the UK and islands (Channel Islands and Isle of Man) prior to the first day of the first academic year of the course. There are some exceptions to this for persons granted international protection or under dedicated resettlement routes, such as Ukraine.
The UK government is committed to supporting students from Gaza with fully funded scholarships to take up places at UK universities where they have been unable to travel due to the conflict. Support is targeted at students holding fully funded and verifiable scholarships, including Foreign, Commonwealth and Development Office-funded Chevening Scholarships, ensuring that tuition fees and living costs are met by eligible financial sponsors in line with the immigration rules. Students also undergo the necessary visa processes, including biometric and security checks, prior to travel.

Grouped Questions: 36288

Source

Written Ministerial Statement - New safe and legal sponsorship routes

Statement made by Anna Turley, The Minister of State for Border Security and Asylum

In November 2025, the government published the *Restoring Order and Control* statement, which committed to tackle the vile smuggling gangs who seek to exploit our borders with no regard for human life and reform the asylum and immigration system. Alongside bringing order and control to the immigration system, we must do this fairly by providing sanctuary to those in genuine need and reducing the pull factors for illegal and dangerous journeys.

The UK has a longstanding history of providing sanctuary to those fleeing war and persecution from around the world. The UK is a compassionate country, that lives up to its international obligations and saves the lives of those fleeing war and persecution.

The government is continuing this tradition by creating new safe and legal sponsorship routes. New named community sponsorship, refugee work and refugee study routes will create safe and legal pathways for refugees to come to the UK, enabling communities, universities and employers to identify refugees they wish to sponsor. By connecting refugees with communities, universities and employers that are ready to support them, the routes are being designed to promote successful integration from arrival.

These routes will be capped and controlled, with the number of arrivals based on community capacity to sponsor refugees. The Government expects arrivals of UNHCR approved refugees across the new routes and the existing UK Resettlement Scheme to number in the hundreds at first, but this will grow into the low thousands as levels of illegal migration fall.

Applications will open today for organisations to be accredited as lead sponsors for the named community sponsorship and refugee study routes. Applications for the refugee work route will open in Spring 2027. Lead sponsors will play a key role in the new routes, acting as intermediaries between the Home Office and sponsor groups and providing assurance that sponsor groups are delivering positive outcomes for refugees, communities and our country. Lead sponsors will be responsible for engaging and onboarding sponsors, assessing the suitability of proposed sponsorship arrangements, submitting applications to the Home Office and providing ongoing support to sponsor groups. The Home Office will continue to conduct appropriate security checks on individual refugees and make all immigration decisions.

To be accredited as a lead sponsor, organisations will be required to demonstrate that they are a registered UK Charity or Community Interest Company based and operating in the UK and have appropriate policies and procedures in place to undertake the lead sponsor role. They will also be required to demonstrate they have the capability, resources and networks to deliver the lead sponsor role.

The routes will initially operate from Bangladesh, Egypt, India, Kenya, Malaysia, Pakistan and Uganda. To be eligible, refugees will need to be outside their country of nationality, and to have been present and registered with relevant authorities or UNHCR in one of these seven countries before 1 October 2026. The government is introducing the new routes in phases, starting in a limited number of countries to establish effective delivery arrangements.

The first arrivals through these routes are expected in Autumn 2027. The new routes will enable refugees to come to the UK and provide them with an opportunity for a better life. However, it is imperative that these routes are only used to support refugees with a genuine need for protection to resettle in the UK. This is why we will work in partnership with the UNHCR who will assess refugees through established processes. All refugees who are identified will be required to meet identity, security and eligibility requirements and have suitable sponsorship arrangements in place to be granted status.

Further details of the new routes, including refugee and sponsor eligibility requirements, will be published on gov.uk.

Department for Education: Erasmus+ Programme

Mike Wood MP (Kingswinford and South Staffordshire) (Con): To ask the Secretary of State for Education, pursuant to the answer of 19 October 2026, to Question 31617, on Erasmus+ programme, for what reason the UK is required to pay the EU to participate in the scheme if more EU students will attend UK institutions than UK students will attend EU institutions. (38214) (Department for Education)

Josh MacAlister MP (Whitehaven and Workington) (Lab): The UK's financial contribution to Erasmus+ is calculated under the formula in the Trade and Cooperation Agreement, with GDP as the primary determinant. Through negotiations, the government secured a 30% discount on the UK's contribution for 2027. EU students undertaking mobilities to the UK are funded through their own National Agency and contribution to the Erasmus+ budget.
Erasmus+ is much broader than student exchanges. It also provides mobility opportunities across schools, vocational education and training, adult education, youth and sport, as well as funding a range of partnership and policy development

projects. The government considers the agreed financial terms to represent a fair balance between the UK's contribution and the benefits of participation.

Source

Department for Education: Overseas Students

Bell Ribeiro-Addy MP (Clapham and Brixton Hill) (Lab): To ask the Secretary of State for Education, what assessment she has made of trends in international student enrolment at UK higher education institutions since 2021; and what assessment she has made of the impact of Student visa refusal rates on the finances of those institutions. (36885) (Department for Education)

Josh MacAlister MP (Whitehaven and Workington) (Lab): The table below shows non-UK student enrolments between 2020/21 and 2024/25:

Year	2020-21	2021-22	2022-23	2023-24	2024-25
Total non-UK enrolments	600,180	675,200	758,865	729,850	685,565

Source: https://www.hesa.ac.uk/data-and-analysis/students/where-from.
The government has been clear that while we welcome international students who meet the requirements to study in the UK, higher education providers sponsoring international students play an important role in ensuring our immigration system is not exploited or abused.
Moreover, providers should not be overly reliant on international student recruitment as an income source. The Office for Students (OfS) has identified reliance on international student fee income as a risk to financial sustainability. It has made clear that providers will need to change their business models to protect their financial health.
The OfS is responsible for managing the sector's finances and the department continues to work closely with the OfS to better understand the sector's financial landscape.

Source

Department for Education: Education: Young People

Vikki Slade MP (Mid Dorset and North Poole) (Lib Dem): To ask the Secretary of State for Education, if she will take steps with Cabinet colleagues to increase transition support between school, college and further education for young adults up to 25-years-old. (37757) (Department for Education)

Josh MacAlister MP (Whitehaven and Workington) (Lab): The government recognises the importance of ensuring that young people are well supported as they transition between school, further education, training and employment. All schools and colleges are required to provide independent careers guidance and support informed choices about post-16 and post-18 pathways to help young people make decisions about their next steps in education, training and work. For young people with special educational needs and disabilities (SEND), support through the SEND system can continue up to age 25 where appropriate, helping them prepare for further learning, employment and adulthood.
The government is already taking further action on transition through its Post-16 Education and Skills White Paper, which sets out reforms to improve the join up of skills and employment support, strengthen pathways into further education, training and work, and reduce the numbers of young people who are not in education, employment or training. As part of our commitments, we are enhancing the role of schools in supporting successful transitions so that every pupil leaves school with a planned destination. Furthermore, we will consider Alan Milburn's full recommendations in the autumn as we shape the next phase of reform. The department will continue to work across government and with local partners to support successful transitions for young people and improve their opportunities and outcomes as they move into further learning and employment.

Source

Department for Education: Universities: Demonstrations

Neil Duncan-Jordan MP (Poole) (Lab): To ask the Secretary of State for Education, what discussions she has had with universities on reports of discussions on handling students' Gaza protests with BAE Systems. (36512) (Department for Education)

Josh MacAlister MP (Whitehaven and Workington) (Lab): The department and the Office for Students (OfS) are aware of reports relating to discussions between universities and BAE Systems on student protests.
Universities are responsible for ensuring that their disciplinary, security and governance arrangements are lawful, and that their duties to secure freedom of speech within the law, including lawful protest, are met. Decisions affecting lawful speech or protest should be reached independently, proportionately and in accordance with the law.
The government believes that both BAE Systems and other defence companies should be welcomed onto campuses on occasions such as careers fairs and that students and staff have the right to protest lawfully about their activity.

Source

Department for Education: Students: Finance

Abtisam Mohamed MP (Sheffield Central) (Lab): To ask the Secretary of State for Education, what assessment she has made of the potential impact of the student finance means-testing system on families with multiple children attending higher education at the same time; and whether she plans to review how maintenance support is calculated in such circumstances. (36443) (Department for Education)

Josh MacAlister MP (Whitehaven and Workington) (Lab): The government considers the current household income assessment the fairest and most consistent way to target living cost support at undergraduate students whose families are least able to support them.
For the 2026/27 academic year, when two or more students in the same family are in higher education (HE), the student finance system takes this into account when calculating maintenance support.
Under the current split contributions policy, where household income exceeds £42,875, the same household contribution is shared across those students, rather than being applied separately. Some households supporting more than one student in HE can therefore receive more maintenance support than a household on the same income supporting only one student.
Under the Lifelong Learning Entitlement, split contributions will not apply to eligible new students starting courses or modules on or after 1 January 2027. Removing split contributions will therefore create a more consistent and streamlined approach to maintenance support across all students, regardless of household income, study intensity or mode of study.
Maintenance support will continue to be based on household income, with the highest levels of support targeted at students from the lowest-income households. Eligible students will also continue to be able to access other forms of student support, subject to meeting the relevant eligibility criteria.
The government will continue to keep the student finance system under review to ensure it remains fair, sustainable and focused on those with the greatest financial need.

Source

Department for Education: Students: Finance

Abtisam Mohamed MP (Sheffield Central) (Lab): To ask the Secretary of State for Education, what assessment she has made of the level of barriers faced by estranged students when accessing student finance; and whether she will take steps to simplify

the application process and evidential requirements for those students. (36441) (Department for Education)

Josh MacAlister MP (Whitehaven and Workington) (Lab): The government recognises that estranged students suffer from financial barriers to study, are more likely to suffer negative effects from high cost of living, work more paid hours whilst studying compared with other student groups and have higher rates of course withdrawal. Students who are estranged from their parents are treated as independent students, which means their entitlement to loans for living costs is based on their own household income rather than that of their parents.
This means that most estranged students will qualify for the maximum loans for living costs, which are increasing in line with forecast inflation every academic year from 2026/27 onwards.
From the 2028/29 service year, we are reintroducing maintenance grants of up to £1,000 per year for full-time students from low-income households, such as estranged students who are studying courses aligned with the government's missions and Industrial Strategy.
Evidence of estrangement is needed to ensure that students receive their correct entitlement to student support. Students can either submit a Confirmation of Estrangement Form or a supporting statement to Student Finance England, both of which must be completed by an independent third party with good standing in the community.
The step-by-step application process for estranged students, together with a link to the Confirmation of Estrangement Form, is set out in detail on GOV.UK and is available at: https://www.gov.uk/government/publications/applying-for-student-finance-as-an-estranged-student/applying-for-student-finance-as-an-estranged-student. The government reviews guidance and the application processes on an ongoing basis.

Source

Department for Work and Pensions: Growth and Skills Levy

Shivani Raja MP (Leicester East) (Con): To ask the Secretary of State for Work and Pensions, whether he plans to allow automotive businesses to use Growth and Skills Levy funds for modular training during temporary production pauses. (36430) (Department for Work and Pensions)

Lilian Greenwood MP (Nottingham South) (Lab): In April 2026 we launched the first apprenticeship units, focusing on priority sectors including artificial intelligence (AI), digital, construction and engineering.

Apprenticeship units are short courses for people aged 19 and over who are already employed, lasting between 30 and 140 hours and can be delivered over one to 16 weeks. They are built from the knowledge and skills within existing employer-led occupational apprenticeship standards, ensuring high-quality, targeted training. They target immediate shortages in areas that will drive productivity and growth and help employers, including in the automotive industry, to upskill existing employees quickly and flexibly.

Source

Sector news

Prospect calls for action on STFC research cuts ahead of Budget

On 26 October, Prospect published an open letter to Chancellor John Healey MP calling for urgent action to prevent further reductions to research programmes within the Science and Technology Facilities Council (STFC).

The letter, supported by leading figures and organisations across the scientific community, warns that proposed reductions could cause lasting damage to the UK's research capabilities and international standing.

Prospect says STFC faces cuts of around 30% to programmes covering particle physics, astronomy and nuclear physics, potentially putting hundreds of scientific jobs at risk. It highlights concerns about the future of research activity at major facilities including Harwell, Daresbury Laboratory, Boulby Underground Laboratory and Jodrell Bank Observatory.

The union argues that the proposed reductions have not been accompanied by sufficient economic or regional impact assessments, making it difficult to evaluate their longer-term implications for scientific capability, employment and local economies.

Prospect also highlights an apparent tension between the reductions and the Government's ambition to expand regional research and innovation activity, including through increased investment in place-based innovation clusters.

The letter calls on the Chancellor to provide funding to avert the proposed reductions pending a full economic impact assessment, allowing the long-term position to be reconsidered at the next Spending Review.

You can read Prospect's full announcement.

Intergenerational Foundation: Universities police students' AI use. Who polices theirs?

On 26 October, the Intergenerational Foundation published an article examining the growing use of artificial intelligence within universities and questioning whether institutions are applying consistent standards to students and staff.

The article notes that AI use has become widespread among students, citing HEPI research finding that 95% of surveyed students used AI in their studies and 94% had used generative AI to assist with assessed work.

It argues that universities have responded by introducing academic integrity policies, AI detection systems and changes to assessment, but that these measures have tended to focus more heavily on students' use of AI than on the practices of academic staff and institutions.

The article cites research indicating that 37% of higher education teaching staff incorporated AI tools into teaching during 2024–25, compared with 24% the previous year, while fewer than a quarter reported having access to AI training.

It also highlights concerns about the possible consequences of using AI-generated teaching materials, feedback and assessment without sufficient transparency or quality assurance.

The Foundation argues that, as students face increasing costs and universities experience financial pressures, institutions must ensure that AI is used to improve educational quality rather than simply reduce delivery costs.

It recommends that university AI policies should apply to institutional and staff practices as well as student conduct, with students receiving clearer information about how AI is being used in their teaching, feedback and marking.

You can read the full article.

Reform UK publishes Economic Rescue Plan

On 27 October, Reform UK published its *Economic Rescue Plan*, setting out proposals on taxation, public spending, business regulation and economic growth ahead of the Autumn Budget.

The plan, presented by Reform UK's Shadow Chancellor Robert Jenrick MP, includes proposals directly affecting higher education funding and student finance.

Reform proposes ending public funding for the lowest-performing 20% of degree courses, defined using long-term economic outcomes at the course and institution level.

Under the proposals, new students would no longer be eligible for publicly funded student loans for courses falling within this category. Existing students would receive transitional support to complete their studies.

The party proposes exemptions for courses considered strategically or culturally important, including those training teachers, nurses, midwives and other healthcare professionals, even where graduate earnings are relatively low.

Reform also proposes ending student loans for foreign nationals and introducing stronger arrangements to recover outstanding student loan debt from graduates living overseas.

The party estimates that its student loan reforms could generate annual fiscal savings rising from approximately £2.5 billion in 2027–28 to £5 billion by 2031–32. These are the party's own projections rather than independently verified savings.

The wider plan proposes increasing the personal income tax allowance to £15,000, reducing employer National Insurance contributions from 15% to 13.8%, introducing a migrant labour levy on employers and expanding support for apprenticeships.

Reform argues that the proposals would redirect public resources towards qualifications and training with stronger employment and economic outcomes, while reducing expenditure on courses it considers to offer insufficient value for taxpayers.

You can read Reform UK's Economic Rescue Plan.

DfE publishes updated criteria for Higher Technical Qualifications

On 26 October, the Department for Education published revised criteria and terms and conditions for the approval of Higher Technical Qualifications (HTQs) in England.

HTQs are level 4 and 5 qualifications approved by DfE against occupational standards and awarded a government-backed quality mark to indicate that they provide knowledge and skills relevant to employer needs.

The updated documents set out requirements for organisations seeking approval for qualifications, including universities and other OfS-registered higher education providers, alongside Ofqual-recognised awarding organisations.

The criteria are organised around five areas, covering statutory approval requirements, regulation and recognition, employer engagement, occupational content and assessment.

Applicants must demonstrate that qualifications align with the knowledge, skills and behaviours identified in the relevant occupational standard, and provide evidence of employer demand and involvement in qualification development.

The guidance also sets out expectations for assessment quality, including validity, reliability, comparability, accessibility and the management of potential bias.

For universities, the requirements include providing evidence of existing academic validation, assessment policies, arrangements for maintaining standards and sample assessment materials.

DfE has also clarified that applications will be considered on a rolling basis rather than through fixed annual approval windows, with approval times depending on the complexity and completeness of submissions.

The accompanying terms and conditions set out continuing obligations for awarding organisations and providers, including the use of the HTQ quality mark, qualification reviews and requirements for maintaining approved status.

You can read the full criteria and terms and conditions.

IDP: International students increasingly prioritise visa certainty and affordability

On 27 October, IDP Education published the latest edition of *Emerging Futures: Voice of the International Student*, examining the priorities and preferences of prospective and current international students.

The research, based on responses from more than 4,800 students across 106 countries and regions, finds that international students are increasingly considering multiple study destinations and placing greater emphasis on visa certainty, affordability and employment opportunities.

Some 83% of prospective students reported considering more than one destination, compared with 78% in the previous survey.

More than half of prospective and applied students (51%) said their likelihood of obtaining a student visa strongly influenced which countries they considered. The research also found that students are increasingly considering visa requirements earlier in the decision-making process, before applying to institutions.

The UK and US both accounted for 21% of respondents' first-choice study destinations, while Australia remained the leading destination at 24%, down from 31% in the previous survey.

The UK was considered by 53% of respondents overall, an increase of eight percentage points, and was rated particularly highly for the perceived quality of its education.

The report also identifies growing interest in transnational education. Some 59% of prospective students said they would consider studying at an international branch campus, up from 52% previously, with lower costs a significant motivating factor.

AI is increasingly influencing students' research and decision-making. Around 41% reported using generative AI as an information source when considering international study, although most said it confirmed rather than changed their existing preferences.

IDP argues that universities and governments need to provide greater clarity on visa requirements, costs and employment outcomes, warning that policy uncertainty can cause students to rule out destinations early in their application journey.

You can read the full IDP announcement and findings.

House of Lords Library: Is AI weakening the value of a university degree?

On 27 October, the House of Lords Library published a briefing examining the potential impact of artificial intelligence on the value of university degrees, focusing on teaching, assessment, graduate employment and the future role of higher education.

The briefing notes the rapid adoption of generative AI among students, citing survey findings that 95% of respondents used AI in their studies and 94% had used it to support assessed work.

It highlights concerns about academic integrity and the possibility that excessive reliance on AI could reduce independent critical thinking and learning, while also recognising its potential to support personalised teaching and improve access to educational resources.

The briefing notes that universities are adopting different approaches to assessment, including open-book assignments that permit AI use, new assessment requirements and greater use of examinations or oral assessments.

On graduate employment, the briefing considers whether AI could reduce demand for some entry-level graduate roles, particularly in occupations involving tasks that can increasingly be automated.

However, it notes that evidence remains mixed and that wider economic conditions and changes in recruitment following the pandemic also help explain recent reductions in graduate vacancies.

The report points to evidence suggesting that AI may reshape graduate roles rather than simply replace them, potentially increasing employer expectations around skills including strategic thinking, judgement and leadership.

It also finds limited evidence that AI has significantly reduced demand for university education. Applications to UK universities remain comparatively strong, while employer surveys have shown relatively little change in the importance employers attach to degrees.

The briefing concludes that universities are likely to face growing pressure to adapt teaching and assessment, strengthen AI literacy and ensure graduates develop the knowledge and capabilities needed to work effectively with emerging technologies.

You can read the full House of Lords Library briefing.

DfE publishes updated International Student Levy impact analysis

On 28 October, the Department for Education published an updated impact analysis of the International Student Levy, revising its estimates of the policy's financial consequences for higher education providers in England.

The analysis accompanies the Government's plans to introduce a £925 annual levy for each international student from the 2028–29 academic year, with providers exempt from paying the charge for their first 220 international students.

The Government estimates that the levy will generate approximately £400 million in 2028–29, £460 million in 2029–30 and £480 million in 2030–31.

However, the updated analysis also forecasts reductions in international student recruitment and associated fee income.

The Government now estimates that the policy could result in approximately £280 million in lost sector income in 2028–29, rising to £350 million in 2029–30 and £380 million in 2030–31.

This would represent approximately £1 billion in lost income over the first three years, higher than the previous estimate of around £900 million.

The analysis also projects that international student numbers could be approximately 11,000 lower by 2030–31 than they would have been without the levy.

The revised estimates reflect updated student recruitment data, assumptions about universities' responses to the policy and methodological changes since the previous assessment.

The Government has maintained that levy receipts will be reinvested in higher education and skills, including the introduction of targeted maintenance grants for students from lower-income households.

The analysis comes amid wider concerns about the financial sustainability of universities and the potential cumulative impact of the levy, changes to immigration policy and continuing pressures on domestic teaching and research income.

You can read the full impact analysis.

Government launches Scale UK Connect to support high-growth businesses

On 29 October, the Department for Business, Innovation, Science and Trade announced Scale UK Connect, a new programme intended to help high-growth businesses expand, attract investment and remain in the UK.

The pilot will provide tailored support to 200 businesses across the country, including access to expert advice, investor networks, commercial opportunities and international partnerships.

The Government said the programme responds to a longstanding challenge in the UK's innovation system, where promising start-ups can struggle to secure the capital, expertise and commercial relationships required to scale.

The initiative will operate through a network of regional partners, including London & Partners, the Manchester Growth Company, West Midlands Growth Company, TechSPARK in the South West and organisations supporting businesses in Yorkshire and Scotland.

Science Minister Chris McDonald MP (Labour) said the programme was intended to help UK entrepreneurs grow their businesses domestically, creating employment opportunities and ensuring more regions benefit from successful innovation.

The programme is an 18-month national pilot worth £3.4 million, with participating companies receiving 12 months of tailored support.

Applications will remain open until January 2027, with the first cohort expected to launch in February 2027 and a final evaluation planned for April 2028.

The announcement forms part of the Government's wider efforts to strengthen research commercialisation, innovation-led growth and access to scale-up finance, including measures announced in the Autumn Budget.

You can read the full Government announcement.

Applications open for the Lifelong Learning Entitlement

On 30 October, the Student Loans Company confirmed that applications for the Lifelong Learning Entitlement (LLE) are now open for eligible students in England planning to begin courses or modules between 1 January and 31 August 2027.

The launch represents a significant change to higher education student finance, with the LLE introducing a single funding system intended to support more flexible access to education throughout people's working lives.

The new system replaces the previous undergraduate student finance arrangements for eligible students applying through Student Finance England and will also fund certain postgraduate qualifications and courses previously supported through Advanced Learner Loans.

Under the LLE, eligible students who have not previously received student finance can access a standard Tuition Fee Loan entitlement of up to £39,160, approximately equivalent to four years of full-time study or 480 credits.

Previous publicly funded study will be taken into account when determining the remaining entitlement available to individual learners.

Students may also be eligible for maintenance support, with the maximum available Maintenance Loan reaching £15,415 per course year depending on household income, living arrangements and study intensity.

A central feature of the LLE is the ability to access funding for eligible individual modules alongside complete qualifications, allowing learners to study more flexibly and build qualifications over time.

Students will apply through a new online account using GOV.UK One Login. Separate applications will be required for each course or module, with students on longer courses applying for funding for each academic year.

Loans will be repaid under Plan 5 arrangements, with outstanding balances cancelled 40 years after the April when repayment liability first begins.

Applications for courses beginning in the 2027–28 academic year will open in spring 2027.

You can read the full announcement and guidance on applying for the LLE.

Public Accounts Committee raises concerns over British Council financial sustainability

On 30 October, the Public Accounts Committee published a report examining the financial sustainability of the British Council, warning that the organisation's future remains uncertain without a clearer long-term strategy and further Government support.

The Committee highlights the British Council's contribution to UK soft power, including its work in international education, English language teaching, cultural relations and partnerships with institutions overseas.

The British Council estimates that its activities generate more than £1 billion in soft-power value for the UK annually.

However, the Committee warns that the organisation remains under severe financial pressure following the pandemic, which significantly reduced revenue from English language teaching and examinations.

The British Council received a £197 million loan from the Foreign, Commonwealth and Development Office in March 2024, but has subsequently struggled to meet the repayment arrangements.

The PAC criticises the length of time taken to resolve the loan's future, arguing that uncertainty over the organisation's financial position has affected its operations and strategic planning.

The Committee also notes that the British Council has already reduced its workforce by more than a third and plans further reductions, alongside the disposal of assets and the closure of operations in nine countries.

It warns that continued cost-cutting could undermine the organisation's international reach and its ability to generate the income needed to become financially sustainable.

The report calls on the FCDO and British Council to establish a clearer shared vision for the organisation, balancing financial sustainability with its contribution to the UK's international reputation and influence.

It recommends that the FCDO explore converting as much of the outstanding loan as possible into grant funding or another appropriate form of support, taking greater account of the value of the British Council's soft-power activities.

The Committee also suggests examining whether the Council's commercial activities should be structured separately from its wider charitable functions and calls for clearer plans to ensure that workforce reductions do not undermine its long-term mission.

You can read the full Committee report and announcement.

Universities UK (UUK) is the collective voice of the UK's universities, bringing them together to pursue a common cause: thriving universities, serving society.

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