



All-Party Parliamentary University Group

Weekly update

24 – 28 March 2025

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

If you would like more information on parliamentary business, please contact:

Rosanna Marsh | appug@universitiesuk.ac.uk

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Parliamentary business

Spring Statement

On Wednesday 26 March, the Chancellor of the Exchequer Rt Hon Rachel Reeves MP delivered the government's Spring Statement. This was an opportunity to provide an update on the economy, public finances and progress against the Government's economic objectives, and is accompanied by publication of an Economic and Fiscal Forecast from the Office for Budget Responsibility (OBR). The statement was largely a response to the OBR's forecast but there were some announcements on spending to ensure that the government's fiscal rules are met. These were largely focussed on changes to welfare spending, defence and cuts to the civil service.

While the OBR's projections for growth from 2026 onwards have been revised upwards, the forecast for 2025 was halved, dropping from 2% to just 1%. By the end of the forecast, the economy will be larger compared with the OBR's forecast at the time of the budget. According to the OBR forecast, the current budget would have been in deficit by £4.1bn in 2029-30. The announcements made today have restored the government's headroom, to a surplus of £6bn in 2027/28, rising to £9.9bn in 2029/30, compared with the previous government's £6.5bn.

The OBR has said that forecast spending plans beyond 2025–26, which will be set at the spending review in June, will see unprotected departments potentially facing day-to-day budgets cuts of 0.8 per cent a year to compensate for commitments in other areas. This implies that without additional funding, non-schools areas of education could face flat or slightly reduced spending power after inflation in the latter 2020s. This means that the Department for Education's higher education-related resource budget is expected to be tightly constrained in real terms through 2029-30, pending future policy decisions.

You can read a transcript of the [speech here](#), supporting documents are [available here](#) and the OBR's Economic and Fiscal Outlook is [available here](#).

Business & Trade Committee – oral evidence

On Tuesday 25 March, the committee heard evidence on the UK's trade relationship and trading prospects with Asia; across the macroeconomic and geopolitical outlook, services exports and manufacturing. Harry Anderson, Head of Policy and Global Engagement at Universities UK, gave evidence on higher education exports to Asia, including on international students and study visas.

You can [watch the session](#).

Public Accounts Committee launches new inquiry on UK Research and Innovation

On Wednesday 26 March, the Public Accounts Committee (PAC) launched a call for evidence on the extent to which the management of UKRI's grants are consistent with the principles of good funding support for research and innovation, as outlined in the National Audit Office's (NAO's) [2025 report](#). The committee will also hear from senior officials at the Department for Science, Innovation and Technology and UKRI on subjects including funding priorities and strategy, and what arrangements exist for reviewing and evaluating progress.

[Read the call for evidence here](#).

PAC launches inquiry on skilled worker visas

The Public Accounts Committee will examine findings from the [NAO's 2025 report](#) on the skilled worker visa route which found that the route continues to support employers in recruiting overseas workers, though changes to the route in spring 2024 tightening entry requirements have been made without their impacts on different industries and parts of the country being fully assessed. The committee is accepting written evidence until Thursday 24 April.

[Read the call for evidence here](#).

Forthcoming business

Home Office - oral questions

On Monday 31 March, the Home Secretary will answer oral questions.

You can find a [list of questions here](#) and [watch the session here](#).

Financing and scaling UK science and technology – HoL Science and Technology Committee oral evidence

On Tuesday 1 April, the House of Lords Science and Technology Committee will hear evidence from:

- Stan Westlake, Chair, Economic and Social Research Council;
- Angus Hanton

You can [watch the session here](#).

Impact of university finances on jobs in higher education – Westminster Hall debate

On Wednesday 2 April, a debate will take place in Westminster Hall, led by Mohammed Yasin MP (Labour, Bedford).

You can [watch the debate here](#).

Recess

The House of Lords will be in recess from 4 April until 22 April. The House of Commons will be in recess from 9 April until 22 April.

Written questions and statements

Higher education reform

The Baroness Smith of Llanfaes (Plaid Cymru): (HL5378) To ask His Majesty's Government, further to the Written Statement by Baroness Smith of Malvern on 20 January (HLWS369), when their review of the higher education sector will be completed and published.

The Rt Hon. the Baroness Smith of Malvern (Labour): While higher education is a devolved matter, the Welsh government is engaging with the UK government regarding plans for higher education (HE) reform in England. The department will publish the plans for HE reform in England in the summer.

Student Loans

Rupert Lowe (Reform) (HC32437) To ask the Secretary of State for Education, if she will publish a breakdown of student loan recipients by nationality in each of the last five years.

Janet Daby (Labour) (Lewisham East): Attached is a table that breaks down unique students in receipt of tuition fee loans and/or student support scheme income contingent loans (such as maintenance loans) by nationality for the 2019/20 to 2023/24 academic years.

Nationality is an optional field for borrowers to fill out when they are applying for student finance, which is why the data contains 'unknown' records. The department has seen a downward trend in the number of 'unknown' records in recent years, which could be due to people moving towards digital rather than paper applications, as the digital application has a drop-down menu for nationality making it easier for applicants to select the relevant option.

Please note, when compared to published figures, which can be found here: <https://www.gov.uk/government/statistics/student-support-for-higher-education-in-england-2024>, total numbers of borrowers in receipt of tuition fee and maintenance loans will differ to this dataset as we are counting unique borrowers. Furthermore, the data is not fully static and data can be updated or re-categorised over time.

Skills England

John Hayes (Conservative): (HC38542) To ask the Secretary of State for Education, what her planned timetable is for establishing Skills England on a statutory basis.

Janet Daby (Labour): Skills England is already operational in shadow form and the government intends for it to be established as an executive agency soon. This model of arm's length body provides a strong fit for Skills England as it can be operationalised quickly and provides independence, while ensuring sufficient proximity to the department, so that Skills England can inform decisions on skills policy and delivery.

Capital Investment

Blake Stephenson (Conservative): (HC38737) To ask the Secretary of State for Science, Innovation and Technology, what steps he is taking to support university-partnered venture capital investment companies outside the Oxford, Cambridge and London triangle; and whether Ministers in his Department have met with those companies.

Feryal Clark (Labour) (Enfield North): The Government is committed to driving innovation and economic growth across the UK. DSIT Ministers regularly meet with investors in science and technology sectors. Research England's Connecting Capabilities Fund (CCF) has supported university collaborations, leading to the Northern Gritstone and Midlands Mindforge venture capital funds, and the Northern Accelerator. Innovate UK's Investor Partnerships programme supports investors like Northern Gritstone and Qantx with R&D funding for their companies. The government supports venture capital through tax reliefs such as the Enterprise Investment Scheme and programmes from the British Business Bank who are an investor in Northern Gritstone. Government continues to assess opportunities to strengthen the UK's leadership in innovation-led investment.

Shariah-Compliant Student Finance

The Baroness Thomas of Winchester MBE (Liberal Democrats): (HL5695) To ask His Majesty's Government what steps they are taking to keep the Muslim community informed on the progress of talks towards a Sharia-compliant agreement on alternative student finance, other than through the Gov.uk website.

The Rt Hon. the Baroness Smith of Malvern (Labour): The department has convened an expert working group, made up of representatives from the Muslim community and Islamic finance sector, to keep the Muslim community informed on progress towards introducing an alternative student finance product, compatible with Islamic finance principles.

As part of the department's engagement with the working group, we are seeking their expert advice and drawing on their feedback to develop our community and stakeholder engagement plans.

It is important that the Muslim community is kept informed on the certification of the alternative student finance product as compatible with Islamic finance principles. We have appointed Islamic finance advisers, the Islamic Finance Council UK, to oversee this work and will provide further updates as the work progresses.

Protecting Public Money in Higher Education-statement

The Rt Hon Bridget Phillipson, Secretary of State for Education (HCWS547):

Today I am setting out the actions this government is taking to tackle concerning evidence of abuse of public money associated with the franchised higher education system which we inherited.

Franchising, where one higher education provider subcontracts provision to a delivery partner, grew significantly under the previous government, but most franchised providers were not placed under the direct oversight of the regulator – the Office for Students. When done well, franchised higher education can be an important driver of inclusion, but against a backdrop of growing financial instability within higher education, for some institutions, it is apparent that franchising became less about expanding access and more about maximising income.

In 2023 and 2024, the Government Internal Audit Agency, the National Audit Office and the Public Accounts Committee all raised concerns about abuse, unethical behaviour and fraud. Without the necessary guardrails, or a funding settlement that put universities on a sound financial footing, in some institutions the system has become a breeding ground for abuse, unethical behaviour and fraud.

Earlier this month, I was made aware that there is a disproportionately large number of Romanian students settled in the UK who receive student funding from the Student Loans Company. Investigative work undertaken by the Student Loans Company suggests organised exploitation both of Romanian students and of the UK taxpayer.

Under this government, this abuse will end. The Department for Education and the Office for Students already have a programme of investigations underway related to franchised provision. Where these investigations have found abuse of the student finance system there will be serious consequences. I have now also asked the Public Sector Fraud Authority to tackle this threat and take forward this work across government.

We will also take immediate action on the use of agents to recruit students. The government can see no legitimate role for domestic agents in the recruitment of UK students. We are taking urgent steps to prevent any further abuse of the system.

Since taking office in July, the government has moved at pace to tackle the many inherited challenges in the higher education sector, which this government believes should be treated as a public good, not a political battleground. In November, I set out changes to the level of tuition fees and maintenance, for the first time in seven years, and set out the five principles for broader reform of the sector which underpin the approach this government will take. We have already reformed the Office for Students, accepting the report of Sir David Behan and bringing new leadership and a tighter focus.

I have written to Edward Peck, the incoming chair, to ask him to make protection of public money a top priority. To support this, I will bring forward legislation at the next available opportunity to give the Office for Students stronger powers to act more quickly and effectively to protect public money.

In January the Department launched a consultation on franchised higher education. The proposals would bring much closer regulatory scrutiny of the largest franchised providers – the ones in which there has been significant growth in recent years – bringing them under direct oversight by the Office for Students. The Office for Students is also consulting to strengthen its conditions of registration, to stop providers with weak governance arrangements from being able to register in the first place. We have asked them also to urgently strengthen the requirements on the providers who subcontract provision. Together, if implemented, these proposals would impose new and significant controls on franchising.

Higher education providers are engines of growth and drivers of opportunity, but these issues threaten the integrity of the sector. With the regulator, we will set the rules, we will enforce them and we will protect public money. However ultimately universities must take ownership of these issues for themselves and we will look to them to take responsibility to ensure abuse like this is brought to an end. There can be no excuse for the abuse of public money, and under this government there will be no hiding place for those who perpetrate such abuse.

Sector news

New executive chair of Innovate UK selected – Department for Science, Innovation and Technology

On Tuesday 25 March, DSIT announced that Tom Adeyoola has been selected as the preferred Chair for Innovate UK. The agency helps businesses turn ideas into products, funds ambitious companies, drives transformative technologies, and oversees the UK's Catapult Network, which connects businesses with R&D expertise.

You can read more [here](#).

Freedom of speech – Office for Students

On Wednesday 26 March, the Office for Students announced that it had fined the University of Sussex £585,000, after its investigation concluded that the universities' governing documents failed to uphold freedom of speech and academic freedom. The OfS has concluded that:

1. The University of Sussex's Trans and Non-Binary Equality Policy Statement failed to uphold the freedom of speech and academic freedom public interest governance principles set out in the OfS's regulatory framework. This breached OfS condition E1.
2. The University of Sussex failed to have adequate and effective management and governance arrangements in place to ensure that it operated in accordance with the delegation arrangements set out in its governing documents, including its scheme of delegation. This breached OfS condition E2.

You can read more [here](#).

