

Fairer higher education system for students and taxpayers

The higher education system in England will be made fairer for students and taxpayers thanks to major reforms announced by the government today.

Student finance will be put on a more sustainable footing by ensuring more students are paying back their loan in full, and there will be a clampdown on poor-quality university courses that don't benefit graduates in the long-term.

Under the current system, more people than ever are going to university but too often, students are racking up debt for low-quality courses that do not lead to a graduate job with a good wage. This means that some students never even start paying off their student loan. And currently, only a quarter of students who started full-time undergraduate degrees in 2020/21 are forecast to repay their loans in full.

The cost of student loans is increasing quickly. The value of outstanding loans at the end of March 2021 reached £161 billion and it is forecast to rise to half a trillion pounds by 2043.

The government is today taking action to tackle the problem head-on, rather than passing the problem on to future generations, by setting out major changes to the way students will repay their loans, and creating a sustainable system which also guarantees access for all.

To make the system fairer for students, the student loan interest rate will be set at RPI+0% for new borrowers starting courses from 2023/24, meaning that graduates will no longer repay more than they borrowed in real terms. This meets a key manifesto commitment to address student loan interest rates in this parliament.

Combined with the continued tuition fee freeze announced earlier this month, a student entering a three-year course in academic year 2023/24 could see their debt reduced by up to £11,500 at the point at which they become eligible to repay.

Today the government has also announced the tuition fee cap will be frozen at £9,250 for a further two years – up to and including 2024/25, further reducing the real cost to students.

To make the system fairer for taxpayers, the repayment threshold – the point at which graduates start repaying their student loan – for new borrowers starting courses from September 2023 will be set at £25,000 until 2026-27.

This still means that graduates will not start repaying until they have reached well over the current median young non-graduate salary of £21,500.

This makes sure that someone benefitting from a university degree makes a

fair contribution to its cost: for example, a graduate earning £28,000 would pay back £17 a month.

Graduate salaries are continuing to rise – in 2020, the average salary for a graduate aged 21-30 was £6,500 higher than for a non-graduate – so it is right we ask those who are benefitting financially from the investment the taxpayer has made in their higher education to contribute towards it.

The student loan repayment term will also be extended to 40 years for new borrowers from September 2023, to ensure more students repay their loan in full, taking into account the fact that people are now working and earning for longer.

Taken together, these changes will lead to significant savings, ensuring the student finance system is sustainable for the long term and can continue to benefit hundreds of thousands of students each year.

Education Secretary Nadhim Zahawi said:

Our country's world leading universities and colleges are key to levelling up opportunity by opening up access to a range of lifelong flexible post-18 options to help people train, retrain and upskill.

This package of reforms will ensure students are being offered a range of different pathways, whether that is higher or further education, that lead to opportunities with the best outcomes – and put an end once for all to high interest rates on their student loans.

I am delighted to oversee such a substantial amount of investment – nearly £900m – reinforced by a revised, fairer, and more sustainable student finance system which will keep Higher Education accessible and accountable. These changes will create a fairer system for both students and the taxpayer.

Higher and Further Education Minister Michelle Donelan:

We are delivering a fairer system for students, graduates and taxpayers as well as future-proofing the student finance system. We are freezing tuition fees and slashing interest rates for new student loan borrowers, making sure that under these terms no-one will pay back more than they have borrowed in real terms. This Government is delivering on its manifesto pledges.

We are investing an extra £900m in our post 18 education system and bringing about a revolutionary change in the way students can study, retrain and upskill throughout their lifetime.

The government has also published two consultations. The first will seek views on how to ensure young people are encouraged to pursue the right path for them, and receive a fair deal for their investment if they choose to go to university.

This includes considering the introduction of minimum eligibility requirements, to ensure students aren't being pushed into higher education before they are ready, and student number controls, so that poor-quality, low-cost courses which lead to poor outcomes for students, aren't incentivised to grow uncontrollably.

The second will set out plans to deliver the Lifelong Loan Entitlement (LLE) worth the equivalent of four years of post-18 education (i.e. £37,000 in today's fees) to support students to study, train, retrain or upskill at any stage throughout their lives through flexible and modular courses.

This is a seismic shift in the way post-18 education is funded and accessed, providing more options, unlocking opportunities and improving social mobility.

The changes to student finance come alongside wider reforms to higher education – backed by nearly £900 million in new investment over the next 3 years – to transform the sector, providing more routes across higher and technical education and enabling lifelong access to loans. This includes providing more funding for courses that support the NHS such as medicine, dentistry and midwifery as well as science and engineering. This is the largest increase in government funding to support students and teaching in the HE sector in over a decade.

This announcement alongside the ongoing skills reforms, including the measures in our Skills and Post-16 Education Bill, which will make sure that everyone, no matter their background, can gain the skills they need, at any stage of their life, to kickstart an exciting career or to retrain and upskill for a new role.

We are investing £3.8 billion more in skills over the course of this Parliament, with Apprenticeships, T Levels, and the Lifelong Loan Entitlement our flagship programmes. In the Levelling Up white paper, the Government set out a new skills mission that will target 200,000 more people in England to help them complete high-quality training each year by 2030, including the aim of 80,000 more people completing courses in areas of England with the lowest skills levels.

Sir Philip Augar, Chair of the Post-18 Education Review panel said:

The Skills Bill already going through Parliament, the lifelong learning entitlement, the reforms to student finance and the refocussing of HE provide a framework that is fair, sustainable and has the potential to drive the whole economy forward. The package is consistent with the spirit of the report of the post-18 education panel that I had the privilege to chair and forms the

basis of a properly connected further and higher education sector. That connection is long overdue.

Robert Colvile, Director of The Centre for Policy Studies said:

It's encouraging to see the Government focus on delivering value for money both for students and taxpayers, and acting to address some of the most unfair aspects of the current system, which we've highlighted in our research. In particular it is welcome to see ministers address the extortionate level of the interest rate on student debt and the way a minority of poor-quality courses tarnish the reputation of the higher education sector – and the prospects of the students that take them. It's also good to see the continued focus on apprenticeships and lifelong learning, as part of the overdue effort to diversify tertiary education beyond the traditional three-year degree.

Will Tanner, Director of Onward, said:

For too long many young people have been encouraged towards unsuitable degrees that do little to help their careers or even leave them financially worse off. The Government is right to put a stop to this and I hope that universities work with ministers to stamp out low-quality courses and ensure every young person is on their right path.

These reforms, coupled with a generous new National Scholarship Scheme for disadvantaged bright young people, could transform higher education for the better and help young people build better futures, irrespective of their background.

James Kirkup, Director of the Social Market Foundation, said:

The Lifelong Loan Entitlement has the potential to give more people the opportunities offered by Britain's great universities and colleges, something that will only become more important as lifespans rise and careers get longer. It's a chance for education providers and employers to work together to offer more education to more people in new and flexible ways, benefiting learners and the UK economy.

Degree apprenticeships are another good example of that sort of partnership and demonstrate how the different parts of the education and skills system can come together to offer new opportunities and support a more productive economy.

David Goodhart, Head of Skills and Training at the Policy Exchange think tank and author of *Head, Hand, Heart: The Struggle for Dignity and Status in the 21st Century* (Penguin):

These measures are another important step towards rebalancing post-school education and training. For too long we have been over-producing academically trained youngsters with low quality degrees who are unable to get graduate jobs, while employers are desperate for people with middle level technical and digital skills. The Lifelong Loan Entitlement should also help to reverse the plunge in part-time and mature students in higher education, while targeted investment boosts those higher academic skills that we do need in STEM disciplines.

[Chancellor to call for 'new culture of enterprise' as he sets out his vision for UK prosperity](#)

- Chancellor Rishi Sunak will set out his vision for a lower tax, dynamic market economy, when delivering his first major speech at the annual Mais lecture tomorrow.
- Setting out his economic vision the Chancellor resolves to 'create the conditions for private businesses and individuals to thrive'.
- Dismissing the claim 'tax cuts always pay for themselves' the Chancellor will argue for sustainable tax cuts to turbocharge UK growth.

In his lecture to the Bayes Business School (formerly known as Cass Business School), he will underscore the benefits of sustainable tax cuts, saying:

'I firmly believe in lower taxes.

'The most powerful case for the dynamic market economy is that it brings economic freedom and prosperity. And the best expression of that freedom is for all of us to be able to make decisions about how to save, invest or use the money we earn.

'The marginal pound our country produces is far better spent by individuals and businesses than government.'

The Chancellor will emphasise the importance of cutting taxes responsibly, saying:

'I am going to deliver a lower tax economy but I am going to do so in a responsible way, and in a way that tackles our long term challenges.'

He will challenge the idea that taxes should be cut even where that would leave spending pressures unfunded, saying:

'I am disheartened when I hear the flippant claim that 'tax cuts always pay for themselves'. They do not.

'Cutting tax sustainably requires hard work, prioritisation, and the willingness to make difficult and often unpopular arguments elsewhere.'

He will also defend his firm belief in the market economy, saying:

'As a machine for innovation and growth the free market is positively correlated with almost everything we imagine is desirable for humanity: higher living standards, greater wellbeing, longer lives lived in greater leisure, freedom and peace.'

The Chancellor's comments will form part of his overall vision for a better economy which involves boosting growth and productivity.

At the Mais lecture tomorrow he will set out his priorities to achieve that. He is expected to say:

'Capital. People. Ideas. Three priorities to deliver higher productivity, tied with one golden thread: that what government does is far less important than creating the conditions for private businesses and individuals to thrive.'

Growth in all three of these areas are already being supported by the government, with public sector net investment reaching its highest sustained level as a proportion of GDP since the 1970s, dramatically improved school and university performance in recent years and improvements to access to finance through initiatives like British Patient Capital, the Future Fund and reforming Solvency II.

Further information

- The Chancellor will deliver his Mais lecture tomorrow (24 February) at 12.30pm at the Bayes Business School at City, University of London.
 - The annual Mais lecture is regarded as the City of London's foremost event for the banking and finance community, and is attended by senior practitioners and academics. Since its inception in 1978, the Mais has maintained a tradition of prestigious speakers including Mark Carney, Tony Blair, Gordon Brown, Mervyn King and George Osborne. The last lecture took place in January 2021 with Anneliese Dodds MP.
 - Pictures of the Chancellor rehearsing his Mais lecture will be available on the [HMT Flickr page](#) from about 6.30pm today (23 February).
 - You can register to watch the Mais lecture via [zoom](#).
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Crucial that all parties avoid exacerbating tensions in Israel and the Occupied Palestinian Territories

Thank you Mr President, and my thanks to the Special Coordinator for his briefing today.

Mr President, let me start by welcoming Israeli Prime Minister Bennett's recent visit to Bahrain. We are pleased to see the continuing positive relationship between two long-standing friends of the UK. The UK actively supports the pursuit of regional stability through normalised relations. We are committed to ensuring that normalisation is an enduring success, and we will continue to support efforts that bring us closer to this goal.

The UK is however concerned by the negative trends on the ground in the Occupied Palestinian Territories, including an increasing level of violence and incitement to violence.

The UK condemns the firing of missiles by Palestinian militants in Gaza at the start of February. We are resolute in our commitment to Israeli security. We continue to call upon Hamas and other terrorist groups to permanently end their inflammatory action against Israel.

As we've heard again today, violence in the West Bank, including settler attacks against Palestinian people and property, is rising. It is the Government of Israel's responsibility to provide protection to Palestinian civilians, to ensure all such incidents are thoroughly investigated, and to bring those responsible to justice. We are concerned about clashes between Israeli Security Forces and Palestinians. Since the last time the Council met to discuss this issue, two Palestinian children have been killed in the West Bank. We urge restraint on all sides.

We have witnessed tensions in Sheikh Jarrah, where scheduled evictions have led to violent clashes in the neighbourhood. We call once again for the halting of forced evictions and demolitions in the West Bank, including East Jerusalem. Such practices fuel tensions on the ground. And we urge a permanent end to settlement activity, which threatens the two-state solution. The UK opposes the authorisation to legalise the outpost Evyatar in the West Bank. We recall that Evyatar has been a source of instability since May, and that such outposts are illegal under Israeli and International Humanitarian Law.

Mr President, the Palestinian Authority's fiscal crisis is worsening. Rapid action is needed to improve the situation, and we continue to call on the PA to implement necessary reforms. The UK wants to see continued cooperation between Israelis and Palestinians, including on economic initiatives, to help boost the Palestinian economy and improve the lives of all in the Occupied Palestinian Territories. Doing so is beneficial to the safety and prosperity

of Israelis and Palestinians alike.

Finally, Mr President, as we approach a convergence of Muslim, Jewish and Christian religious holidays in April, it is crucial that all parties commit to respect the historic Status Quo and take steps to avoid exacerbating tensions, in order to prevent escalation.

I thank you, Mr President.

Business roundtable on Russian sanctions: 23 February 2022

Press release

Prime Minister Boris Johnson attended a roundtable at Downing Street to discuss limiting Russian access to UK financial services.



The Prime Minister today met with some of the UK's leading city firms, regulators and trade associations, to discuss the first package of economic sanctions being implemented against Russia, due to their recognition of Donetsk and Luhansk.

The business roundtable was hosted at Downing Street and chaired by John Glen, Economic Secretary to the Treasury.

Emphasising the gravity of the deteriorating situation in Ukraine, the Prime Minister thanked the financial services sector for the effort they devote to sanctions compliance and set out how they could work together to deter Russia from further escalation, which he remarked could make a huge difference to the effectiveness of the UK's response.

He was clear that if the crisis escalates, tougher sanctions will follow as part of ensuring President Putin's destructive course of action in Ukraine is halted. The group also discussed the importance of an aligned approach with

other financial centres, the upcoming legislative reforms to further crackdown on illicit finance, and how we could further limit Russian access to UK financial services if that becomes necessary.

The Economic Secretary to the Treasury closed the meeting by welcoming the group's clear thinking, asking that they remain in close touch on the implementation of these sanctions and any future measures. He concluded that the Government will continue to listen to the views of the sector to ensure our coordinated action is as impactful as possible.

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[Trade Secretary Kicks Off Three-Leg Asia Trip With Trade Talks In Jakarta](#)

- International Trade Secretary co-hosts first ever Joint Economic and Trade Committee (JETCO) with Indonesia on first leg of Asia-Pacific visit
- Trade talks with Indonesia are first step towards stronger economic ties with Southeast Asia's largest economy
- Trevelyan will visit Japan and Singapore as UK enters final stage of negotiations to join £8.4 trillion Trans-Pacific Partnership trade bloc

The International Trade Secretary today (23 February) launched top-level trade discussions in Jakarta as part of a visit to the Indo-Pacific region.

Anne-Marie Trevelyan joined her counterpart, Trade Minister Mohammed Lutfi, in the Indonesian capital to host the first ever UK-Indonesia Joint Economic and Trade Committee (JETCO) before she heads on to Japan and Singapore.

The UK and Indonesia, Southeast Asia's largest economy, committed to enhancing our trading relationship and boosting the existing £2.6 billion in bilateral trade. It comes as Indonesia prepares to host the G20 leaders' summit later this year.

Trevelyan also sat down with the Secretary General of the Association of Southeast Asian Nations (ASEAN), Dato Lim Jock Hoi, for the first meeting since the UK became the bloc's 11th Dialogue Partner, the first nation to achieve that status in 25 years.

After the Indonesia leg of her trip, Trevelyan is moving on to visit counterparts in Japan and Singapore in a visit designed to deepen and strengthen ties to the region as part of the UK's strategic Indo-Pacific tilt.

The visit comes days after the UK moved into the second and final stage of

joining the Trans-Pacific Partnership [CPTPP](#) free trade area worth £8.4 trillion in GDP.

International Trade Secretary Anne-Marie Trevelyan said:

This trip marks an exciting milestone in the UK's strategic tilt to the Indo-Pacific. We have made significant progress on joining CPTPP, a trade bloc worth over £8 trillion. We are also looking at what is on the horizon to deepen trade links with Indonesia and other nations in the Indo-Pacific.

These talks are an opportunity to advance our shared goals, such as stepping up green trade in areas like hydrogen. Trade in the industries of the future will provide opportunities for growth and high-quality jobs across the UK's industrial heartlands, helping us level up right across the country.

While in Indonesia, Trevelyan met Luhut Pandjaitan, Minister of Investment and Maritime Affairs, and the Governor of Jakarta, Anies Baswedan, to discuss possibilities for clean growth collaboration, such as partnering on Jakarta Net Zero.

She also promoted the UK's rail expertise as she visits Jakarta Mass Rapid Transit (MRT), which British firms have helped to design. She highlighted how closer trade ties and support from UK Export Finance could help UK businesses bidding for multi-million pound contracts on Indonesian infrastructure projects, with £4 billion of financial support available for the country.

As the world's fourth largest country by population and this year's G20 president, the visit was also an opportunity to emphasise the strategic importance of Indonesia and address wider UK priorities such as WTO reform.

The Trade Secretary will fly to Tokyo on Thursday.