

Rt Hon Rachel Reeves MP  
Chancellor of the Exchequer  
11 Downing Street  
Via email

25 June 2025

### **Proposed levy on higher education provider income from international students**

Dear Chancellor,

We are writing to urge you to reconsider plans to introduce a levy on higher education provider income from international students, as proposed in the Government's immigration white paper.

International students already make a significant positive contribution right across the UK's economy. In 2021, international students generated an estimated £20.65 billion in exports through expenditure and tuition fees with the London cohort accounting for £9.59 billion of that total. On average, each of the 650 parliamentary constituencies in the UK is £58m (per constituency) better off because of international students – equivalent to approximately £560 per citizen. In London, that rises to £1,040 per resident.

Aside from the clear financial benefits of welcoming international students to the UK, they contribute to a richer learning environment in our universities, create opportunities for cultural exchange on campuses and in our communities and extend the UK's soft power worldwide.

We recognise there are legitimate concerns about immigration that need to be addressed. But efforts to reduce immigration should not come at the expense of the UK's world-leading education sector.

As the leading representative bodies for businesses and educators across the capital, we support and champion the Government's mission to upskill the UK's workforce. Our Higher Education institutions will play a central role in delivering the London Local Skills Improvement Plan, led by BusinessLDN, to ensure that more Londoners are equipped for the jobs of today and tomorrow.

Introducing a levy at a time when many institutions are facing acute funding pressures risks putting that mission at risk. It could force universities to cut costs further still by postponing infrastructure projects, implementing hiring freezes and closing some courses. Some providers may be forced to increase fees, which would damage the UK's international competitiveness. London was recently named the world's best student city for the sixth consecutive year. It is in the interest of our economy that we retain that position.

The UK has an opportunity to strengthen its position as a hub for talented individuals from across the world, given some of our competitors are signalling that overseas students are not as welcome as before. We should seize this moment by putting forward a cogent package that attracts talented students, cutting-edge researchers and innovative entrepreneurs from across the globe to galvanise growth.

The higher education sector stands ready to work with the Government to support its growth mission and address the financial challenges that many universities are facing. This levy risks undermining success on both counts and we urge you to reverse plans to introduce it in the Autumn Budget. We would welcome the opportunity to meet with you or your team to discuss this important issue in more detail.

Yours sincerely,



John Dickie  
Chief Executive  
BusinessLDN



Liz Hutchinson  
Chief Executive Officer  
London Higher

CC: Rt Hon Yvette Cooper MP, Secretary of State for the Home Department  
Rt Hon Bridget Phillipson MP, Secretary of State for Education  
Rt Hon Jonathan Reynolds MP, Secretary of State for Business and Trade