

MAYOR OF LONDON

Andrew Boff AM

Chair of the London Assembly
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Our ref: MGLA190326-6420

Date: 21 July 2026

Dear Andrew,

London Assembly (Plenary) Meeting 5 March 2026 – Motions

Thank you for your letter on the motions agreed at the London Assembly (Plenary) meeting on 5 March 2026. My reply to Motion 3.3 is below.

Motion 3.3 – Student Loan Repayments

I recognise that high inflation in previous years has increased the interest rate on Plan 2 student loans meaning some loans are increasing in value despite monthly repayments. I therefore welcome the Government's decision to look at the Plan 2 system, including capping the interest on Plan 2 loans at 6% for the 2026-27 academic year.

London is a highly skilled economy with six in ten working-age Londoners holding qualifications at Level 4 or above (equivalent to higher education)¹. As a result, graduates living and working in London make substantial tax contributions to the economy. I am proud of London's record as a world-leading hub for learning, research, and innovation, and that higher education continues to deliver long-term benefits for graduates. Upon graduation and entering the labour market, average graduate earnings increase at a rate of 72% compared to 31% for non-graduates². Accounting for student loans and taxes, evidence shows that the graduate premium is £130k for men and £100k for women, a gain in net lifetime earnings of 20% for both³.

Despite this, I recognise the pressures on both the sector and on graduates and am committed to ensuring London remains an attractive and competitive place to study and work. London's Inclusive Talent Strategy sets out how we will work with stakeholders to advocate for the sector, drive access and participation so more learners can benefit from higher education and improve employment outcomes for graduates. London has a world-class higher education offer, and I will continue to champion the sector to ensure it thrives and remains competitive, accessible, and inclusive for all learners.

¹ [Inclusive Talent Strategy and Get London Working Plan Evidence Base](#)

² Ages 23-31

³ [UUK Graduate Employment Outcomes](#)

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I continue to do all I can to bear down on living costs for Londoners by building more affordable homes, keeping transport costs down, investing in Universal Free School meals, and helping Londoners understand and access their financial rights and entitlements.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small '2' written below the 'h'.

Sir Sadiq Khan
Mayor of London