

9 April 2024

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Dear Professor Bell,

Following our meeting on 25 March, I am writing with evidence from the Russell Group to feed into the MAC's rapid review of the Graduate Route. We would be very happy to discuss these points further if helpful.

**International students are a UK success story, bringing cultural, social and economic benefits.** They boost businesses and local communities, underpin the provision of high-level education and skills for home students, and enable universities to invest in R&D activity. Indeed, modelling by London Economics shows that a single cohort of international students produces a net benefit of £37bn for the UK economy.<sup>i</sup> While it is too early to make a definitive assessment, early signs from the Association of Graduate Careers Advisory Services and the Home Office suggest most Graduate Route visa holders enter skilled employment.<sup>ii</sup> Although this was not an explicit policy intent of the route, it does indicate the contribution of these graduates to the UK workforce.

**We expect international student numbers to plateau and fall back, even without further policy change.** UK universities saw increased international student numbers in recent years, partly because the UK exited lockdown before competitors, which is now wearing off. Evidence indicates negative government rhetoric, new visa restrictions and increased visa fees are already having an impact on the attractiveness of the UK as a study destination. Government changes to immigration rules need time to bed in and as you know, the MAC estimated the ban on postgraduate taught students bringing dependants could see a fall of 120,000 in annual migration by main applicants and family members. Early data suggests international student numbers have fallen this year:

- Enrolly data from November implied overall deposits were down 52%, CAS issuance was down 64%, and visa issuance was down by 71% for January enrolments compared to the same stage last year<sup>iii</sup>
- a UUK/BUILA survey of 73 universities showed a 44% drop in enrolments in January 2024 following a 0.4% drop in September 2023<sup>iv</sup>
- one of the UK's major postgraduate recruitment specialists, FindAUniversity, reported that their share of prospective international students searching for UK opportunities fell from 51% in 2022 to 30% in 2023.<sup>v</sup>

**International students are critical to the financial sustainability of the UK's world-leading universities.** The Russell Group estimates that English universities supplemented the cost of undergraduate education by an average of £2,500 per student per year in 2022/23.<sup>vi</sup> Much of this was through international fees: HESA data shows these make up between a fifth and a third of the total income of most Russell Group universities. **Russell Group modelling suggests a 10% reduction in international student numbers would reduce our universities' collective income by over £500m a year.**<sup>vii</sup> The financial sustainability challenge is already acute: in 2021/22, in England, the additional funding available from all surplus-generating activities was nearly £2bn short of the cost of sustainably delivering research activity and educating UK students. Higher education is devolved, but the funding pressures seen in England are mirrored, and often intensified, within the other Home Nations.

*Continued...*

**International students are not taking the places of domestic students.** Indeed, despite the shortfalls in government funding for UK students, our universities have been able to grow the number of places for UK undergraduates over time because of the funding they receive from international student fees. **Between 2019/20 and 2021/22, HESA data shows the number of UK students at our universities grew by 10%, while the number of international students grew by 11%.** The latest UCAS data shows that across all our members, accepted UK undergraduate applicants rose by 3% from 2022 to 2023, while accepted international applicants fell by 1%.

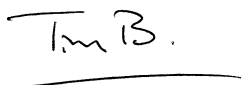
Universities recognise the importance of ensuring sustainable and broadly-based income streams. **In this regard, the Graduate Route helps keep the UK's offer to international students globally competitive and supports Russell Group universities' efforts to diversify their international intakes.** In the last five years, HESA data shows we have increased growth in student intakes from India (+68%) and, from a low base, Saudi Arabia (+58%) and the UAE (+108%).

Finally, we note the rapid review's focus on abuse of the Graduate Route. **Home Office analysis has shown that students have the highest compliance rate of any visa category, with 97.5% of those who arrive and do not move onto a different visa leaving the UK after their studies.**<sup>viii</sup> We will always stand ready to work with Government to tackle instances of abuse and fraud, but the vast majority of international students at UK universities come here to learn.

Overall, the UK's record of attracting international students is a success story for our country. Nonetheless, we expect their numbers to plateau and fall back, even if there is no further policy change – and evidence suggests this is already happening. UK students are not being crowded out by international students: on the contrary, international student income supports the teaching of UK students and our world-leading research. The Graduate Route is vital not just to UK universities' competitiveness in attracting international students, but also to their efforts to diversify their intake. Any further changes to restrict student immigration could result in a significant destabilisation of the sector, affecting research-intensive universities such as ours as well as many other universities that are often key institutions locally and regionally. The negative impact would result in less spending in local communities, fewer opportunities for domestic students and less UK research.

I hope this is of use to the MAC as it reviews the available evidence.

Yours sincerely,



Dr Tim Bradshaw  
**Chief Executive, Russell Group**

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<sup>i</sup> London Economics 2023: <https://londoneconomics.co.uk/wp-content/uploads/2023/05/LE-Benefits-and-costs-of-international-HE-students-Full-Report-2.pdf>

<sup>ii</sup> AGCAS 2023: <https://www.agcas.org.uk/latest/new-agcas-research-shares-international-graduates-experiences-of-the-graduate-route-and-makes-recommendations-to-the-sector>

Home Office 2022: <https://www.gov.uk/government/publications/evaluation-of-the-future-borders-and-immigration-system-early-insights-research-with-graduates/graduate-route-early-insights-evaluation>

<sup>iii</sup> Enroly 2023: <https://www.enroly.com/blog/huge-fall-in-international-numbers-predicted-in-january-as-deposits-and-cas-collapse>

<sup>iv</sup> UUK 2024: <https://www.universitiesuk.ac.uk/latest/news/graduate-visa-critically-important-uk>

<sup>v</sup> The PIE News 2023: <https://thepienews.com/news/prospective-masters-interest-swinging-away-from-uk/>

<sup>vi</sup> Russell Group: <https://russellgroup.ac.uk/policy/policy-documents/briefing-university-business-model-explainer/>

<sup>vii</sup> HESA data shows Russell Group universities earned £5,299,828 in non-UK student fees in 2021/22: 10% of this is almost £530m. Given inflation and the fact that some EU students paid home fees in 2021/22, this is probably a conservative estimate.

<sup>viii</sup> Home Office 2020: <https://assets.publishing.service.gov.uk/media/5f47e2dce90e07299b63c2ea/fifth-report-on-statistics-relating-to-exit-checks-201920.pdf>