

THE STUDENT IMMIGRATION SYSTEM - Key messages

1. Maintaining London's reputation as a global talent hub

An open economy is vital to UK economic growth. It is important that Government does not send a message to the world that the UK is closed for business and no longer welcomes to the global talent which has been a key source of our competitive advantage.

An internationally attractive education sector adds value to the UK economy and provides the future talent for UK-based businesses. Overseas graduates play a critical part in creating the deep talent pool which is a key reason for international business choosing the UK, and particularly London, as a place to invest.

2. Maintaining entry routes into university from feeder colleges

As well as remaining open to non-EU undergraduate and post graduate students, it is important to provide international students with access to pre-degree courses at legitimate FE colleges, as these act as a pathway to UK university education.

3. Maintaining a route to work after study

Blanket restrictions on the ability of non-EU students to work in the UK post study, or even during term time, will damage the UK as a destination of choice for these students.

London is the home to many multinational HQs. As well as recruiting a high proportion of British graduates, London's truly global market means businesses needs access to global skills and knowledge that may not be available among domestic graduates.

4. Credible evidence-based management of risk and abuse

London First supports targeted efforts by Government to clamp down on bogus institutions which damage London's reputation and the brands of legitimate universities and colleges.

Highly Trusted Sponsor accreditation, currently held by all of London's universities and publically funded FE colleges, must be fit for purpose and bring the benefit of efficient and transparent processing of students' visas.

THE STUDENT IMMIGRATION SYSTEM
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London First Consultation Response

Contact Details

Name: Mark Hilton, Programme Director Education & Employment

Organisation: London First

Postal address: 3 Whitcomb Street, London WC2H 7HA.

Telephone number: 020 7665 1521

Email: mhilton@londonfirst.co.uk

General Comment

The UK's further and higher education system is currently facing the most dramatic changes to the way it is funded and the way it will be required to deliver its education provision in a generation. Consequences of the comprehensive spending review, the Browne Review of Higher Education (HE) and the Banks Review of Further Education (FE) are still working their way through, although we can expect up to 80% cuts to HE teaching budgets over the next 5 years and up to 40% cuts to overall FE budgets. Meanwhile, the UK economy is in a fragile state, with low growth threatened by public expenditure cuts and inflationary pressures. The Coalition Agreement speaks of the need to nurture and harness growth throughout our economy, and the Prime Minister and a succession of Ministers talk about the need to attract the brightest and the best to the UK.

The UK is a global leader in the recruitment of international students – second only to the US (UUK). This is a vital component of the UK's ability to compete effectively in the global knowledge economy, and to support the economic growth that the UK needs. The international activities of universities contribute around £5.3BN directly to the UK economy and an estimated additional £3.26 billion in knock-on output (UUK). London is the most popular city in the world for international study. Of the city's 412,000 students studying at London's 42 publicly funded universities, 65,130 are from outside the EU and a further 32,000 from within the EU (around a quarter). Combined they contribute £1.5 billion pa to the city's economy (London Higher). At least one world leading London university already generates as much income from overseas students as it receives in government grant funding for teaching UK and EU students. The value of overseas students in monetary terms alone is substantial. In addition, there are social and cultural benefits to the universities and colleges, their domestic students, and broadly London from this flow of global talent. It is clear that London would suffer disproportionately both financially and in reputation by a reduction in overseas student numbers.

With competition for attracting overseas students getting fiercer particularly with the emerging markets developing their education offer (China now receives more overseas students than it exports) it is crucial that London's position as a global talent hub is not harmed and London/UK remains an attractive destination to the best students from outside the EU. Many of the main source countries for international student recruitment are also the UK's key trading partners (China, India, USA) and their

connections made through the flow of students during and post study should not be harmed. Indeed, a global network of alumni who studied at London's universities and colleges significantly increases the university's and college's international influence and access to the Capital's potential future leaders.

Non-EU students pay the full cost of their education in the UK, cover (and have to prove they can cover) the full cost of their maintenance in the UK, have only very limited rights to work with a prohibition on filling permanent vacancies, have 'no recourse to public funds' and have visas only for a limited purpose and for a limited period. It is hard to see what burden legitimate overseas students apply to the state, and why a reduction in their numbers would create any advantage to the UK. There is clearly some dispute over whether non-EU graduates are displacing British graduates from jobs; the Migration Advisory Committee's November 2010 report found that: "there is no quantitative evidence that foreign-born migrants are directly displacing resident workers". London First would question the credibility of the conclusion drawn from the Home Office's November 2010 report that 40% of Post Study Work (PSW) graduates are working in low skilled roles, and would welcome a further, wider ranging study before changes are made to the PSW route. Indeed, the MAC and business have argued that the recruitment of overseas graduates can lead to the creation of jobs for domestic graduates, through the development of new business streams.

It is clear that overseas student should not therefore be classed as economic migrants. Of course, if a student's status changes, they still need to apply for a different visa.

Blanket restrictions on the ability of non-EU students to work during term time and post study will downgrade the UK as a destination of choice for these students. Getting the highly trusted sponsor status right is also important. If this is to be granted to just the best educational institutions (those with strong credibility and established brands, and legitimate offers), as should be the case, then the status needs to be fit for purpose which it is currently not. It should provide the benefits that the title would suggest, such as efficient and transparent visa processing, and it should mean the institution is trusted to discharge effectively their academic responsibilities in so far as assessing the eligibility criteria of non-EU student applications, e.g. English requirements.

It is equally important that London's businesses are able to understand and engage with the student immigration system so that they can recruit non-EU graduates (via milkrounds for example) efficiently and directly from universities in the UK (across all institutional categories), EU and outside of the EU. London as a global talent hub is home to many multinational HQs, and the practice of rotating new graduate recruits through London – recruiting non-EU talent, training them in London and then moving them onto other global offices – is commonplace. London First made the same point in the Tier 2 consultation – whilst London business recruits a high proportion of British graduates and will continue to do so, a truly global market like London needs access to business crucial global skills that may not be available in the domestic graduate market. It will not be clear until after the permanent cap starts in April 2011 whether there will be sufficient capacity through the government's preferred route Tier 2 General for the recruitment of non-EU graduates. London First members are concerned that this route may be oversubscribed with applications for non-graduate Certificates of Sponsorship. If the PSW route is closed, and in-country switching from Tier 4 to Tier 2 and visa extensions are included in the cap (which is still being considered) this will leave employers with a much reduced ability to recruit overseas graduates. This would reduce business certainty, heighten the risk that they will not get the talent they need, and leave employers with difficult business critical decisions that could result in employers leaving the UK or moving graduate trainee schemes to another global office. There is an argument here for staged phasing of inter-connected policy changes in order to assess impact. London First supports the continued exemption of in-country Tier 4 to Tier 2 switching and extensions from the cap, and maintaining a tightened and more sophisticated PSW route.

There is an element of abuse in the overseas student immigration system, and addressing this through the tightening of regulations based on a credible evidence base is important. Government efforts to clampdown on the problem of the bogus colleges that damage the reputation and brand of legitimate universities and colleges should be stepped up and these outfits closed down as far as possible. However, it is clear that any cuts or restrictions beyond this would be particularly badly timed and seemingly contradicts the government's growth agenda. Furthermore, the UKBA's own data shows that non-compliance with immigration regulations in the HE and publicly-funded FE sectors is very low at 8% and both sectors have made clear that they will continue to address this. This strongly suggests that these sectors should not be the focus of the government's efforts to tackle overseas student immigration, and should in turn feel minimum impact from them.

Ministers have said that their political target of reducing net migration to the tens of thousands can be achieved without impacting on universities and legitimate further education colleges. However, given the level of student immigration (50% of visas issued in 2009 according to the UKBA) universities, colleges and businesses are concerned how likely this will actually be. London First would welcome the opportunity of working with the UKBA to ensure this pledge is kept.

Q1. Do you think that raising the minimum level of study sponsors with a standard sponsor licence can offer under Tier 4 (General) to degree-level and above is an effective way of reducing abuse of Tier 4 (General) route, increasing selectivity and simplifying the current rules?

No.

Progression pathways in the form of foundation degree or Level 3 starts provide an important link between FE and HE both for the institutions involved and for non-EU students who are keen to develop their sub-degree skills and progress upwards but are unable to do so in their own country. However, London First's university members have said that the HTS provides little in the way of benefit that could be expected from being in receipt of such a status, and processing can be opaque and confusing. It is clear that as part of any changes to Tier 4 the sponsor system should be reviewed to determine the scope of highly trusted and standard status and achieve credibility, and before the results of such a review are known it is hard to take a view on questions concerning sponsor status.

London First supports a crackdown on bogus colleges via regulation and accreditation.

Q2. Do you think that only Highly Trusted Sponsors should be permitted to offer study below degree level at NQF levels 3, 4 and 5 / SCQF levels 6, 7 and 8 in the Tier 4 (General) category?

Yes, if referring to the current HTS status that applies to the majority of London's universities and publically funded FE colleges. However, refer to the point made under question one that the sponsor system requires review.

Q3. Do you think that the changes discussed in this section should be phased in?

Yes

If you answered yes or no to the previous question, what time period do you think is appropriate for phasing in these new measures?

At least 1 - 2 years. The recent changes introduced via the points-based system have shown that lessons should be learnt from trying to implement changes too quickly. However, institutions should be given as much certainty as possible during the phasing in process.

Q4. Do you think that, in the light of the low risk of abuse amongst users of the Tier 4 (Child) route, there should be no changes to the route?

Yes, there should be no changes to this route as long as it is monitored effectively.

Q5. Do you think that all students using Tier 4 (General) category should have passed a secure English language test to demonstrate proficiency in English language to level B2 of the Common European Framework of Reference for Languages (CEFR), in order to improve selectivity and to simplify the current system?

No.

The UKBA has itself said it is not an educationalist, and is therefore not competent to advise on academic issues and especially access to degree level studies. As a highly trusted sponsor, institutions should be trusted to discharge their academic responsibilities in assessing English standards.

Q6. Do you think that students from majority English-speaking countries, those who have been awarded a qualification equivalent to UK degree-level or above that was taught in English in a majority English-speaking country, and those who have recently studied in the UK as children should be exempt from any new language testing requirement?

Yes, these students should be exempt from any language testing requirement. The UKBA should consult universities and colleges on their list of majority English speaking countries.

Q7. Do you think that students wishing to study a new course of study should be required to show evidence of progression to study at a higher level?

No. This is far too restrictive particularly at higher degree level and removes the ability to switch subject or take two Masters, for example. This also removes trust from HTS university and college institutions. Recent rule changes setting maximum number of re-sits and maximum 3 years at below degree level are sufficient.

Q8. Do you think that students wanting to study a new course should return home to apply from overseas?

No. Legitimate students should be allowed to apply whilst in the UK. Returning home to apply from overseas could cause domestic disruption for the student, mean that UK institutions could lose students to other countries with more liberal immigration requirements, and in any event leaves little time to re-apply between courses.

Q9. What changes do you think we should make to the Tier 1 Post Study Work route?

Other.

It is important that a credible evidence base of abuse through this route is provided along with a clear analysis of what impact the changes already made to the points based system in 2010 have had. London First questions the credibility of the research from the Home Office released in November 2010 that said 40% of PSW students work in low skilled jobs at any one time. A small sample of applicants was used, and the sample was limited to those bringing in dependants only. As such, it would be worthwhile to repeat and expand the scope of this research, if it is being used as a main driver for making changes to the PSW route. This would provide a clearer picture of the degree to which the PSW route should be tightened and which areas should be focused on. The full removal of the PSW route is an overly excessive option and would seriously hamper the ability of university students to achieve the work experience required for professional accreditation (e.g. law and architecture), chartered status and the ability to practice internationally in their chosen profession. It could deter high quality applicants from applying to study in the UK, resulting in a significant loss of income for universities.

A recent Hotcourses Abroad survey of 850 non-EU overseas students found that 64% agreed the UK would be a less attractive destination without a PSW visa system. 61% said they would choose to study in another country if the plan to close the PSW route went ahead.

In terms of business use of the PSW route, this case study illustrates the points made under General Comments:

Top Tier Accountancy Firm (London First Member)

“It is not possible currently to fill our graduate places from resident workers only and on average approximately 10-15% of our yearly graduate intake is made up of non-EEA graduates. Our preference would always be to sponsor these non-EEA graduates through the Tier 2 General route, however in the past a small number have joined on the Tier 1 route. In 2010, we employed 95 graduates who were non-EEA nationals, of which 15 held Tier 1 Post-Study visas.

“We are particularly concerned for our 2011 graduate programme where we are faced with increased uncertainty on the Tier 2 General route and whether we will be able to sponsor all of the non-EEA graduates that are successful through our recruitment process. Given they are extremely high calibre students that we would still wish to recruit, in the absence of sufficient Tier 2 General visas, we would want to be able to consider alternative options such as a Tier 1 Post Study visa, if held. By restricting this route we would have concerns for our ability to honour offers of employment which have already been made to non-EEA students.

“There is a further and significant strategic advantage to the current Tier 1 Post Study Work route, which it allows a greater pool of talented graduates with a global reach. Once recruited, trained and qualified with post-qualification experience, many will continue with us (or some into the corporate sector or to our competitors) in the country of origin or other parts of the world – especially in the key emerging markets. This reinforces the UK’s undoubted position as a leading global hub and means that as future leading professionals and business leaders, they will be far more likely look to the UK for services, transactions and investment”.

If the PSW route is to be tightened, there are options which could be explored:

- Allowing those students graduating from HTS institutions to be able to continue to apply for PSW visas.
- A mechanism that enables business to recruit through international graduate schemes on a more temporary basis, removing any potential link to settlement, perhaps linked to businesses with a highly trusted status.

Any changes will of course need to be phased in and a sufficient transitional period for existing PSW students implemented.

Q10. Do you think that we should restrict further the amount of work students should be allowed to undertake while studying?

No – again this would impact on the attractiveness of UK study and could be confusing to employers. One London business school operates with longer term times and very short vacations so the proposed changes would be more difficult for its students. Current limits are adequate - 20 hours per week during term time for degree students, 10 hours for others.

Q11. Do you think we should make it simpler for employers to understand the rules around student work, by limiting it to set times, except where they are working on campus?

Making it simpler for employers to understand the rules around student work is right, but not by limiting work to set times. More flexibility for employers wishing to recruit the brightest and the best would be preferable.

Q12. Do you think that the minimum ratio of study to work placement permitted should be increased from the current 50:50 to 66:33, except where there is a statutory requirement that the placement should exceed one-third of the total course length?

No, to make this change will unnecessarily restrict the academic design of courses, at a time when employers ask for students to have more work experience.

Q13. Do you think that only those studying for longer than 12 months should be permitted to bring their family members with them to the UK?

No. Many courses that are one academic year long are a little less than 12 months, so would discriminate against a sizeable number of students. For example, students on full time taught masters would not be able to have their families remain with them and this seems unnecessarily restrictive.

Q14. Do you think that family members permitted to accompany the student should be prohibited from working?

Only the dependants of students of HTS institutions should be able to work during their stay in the UK.

Q15. Do you agree that differential requirements for high and low risk students should be adopted?

Yes. High risk students' compliance with immigration regulations may need closer monitoring and control. Getting the definition right for high and low risk as applied to students and their country of origin, and regular reviews consulting universities and colleges including a clear process for making challenges, is crucial. It is right that students from low risk countries and the universities and colleges recruiting them benefit from fewer controls and a fast stream processing system.

Q16. Do you believe that we should focus on the abuse of documentary evidence for maintenance and/or qualifications as the basis of differential treatment?

Yes.

Q17. Do you believe that we should also, or alternatively look at the sponsor's rating as a basis for differential treatment?

Yes, HTS status should mean reduced scrutiny.

Q18. Do you think that more should be done to raise accreditation and inspection standards to ensure the quality of education provision within private institutions of further and higher education for Tier 4 purposes?

Yes, these should be in line with public institutions.

Q19. In the light of the proposals described in this document, what do you think will be the main advantages / disadvantages, including any financial impacts, to you, your business or your sector?

Refer to General Comments.

BACKGROUND CONSULTATION QUESTIONS

Are you responding to this consultation as:

On behalf of an organization

Please indicate whether you are:

Other

Please select your organisation/institution type:

An institution or business not directly involved in providing education