

# *The UK's Global Edge: Regional Impact and the Future of International Students*



## *All-Party Parliamentary Group for International Students Inquiry Report*

September 2025

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# Foreword

## by the Co-Chairs of the All-Party Parliamentary Group for International Students

We have few greater assets than our education system, which delivers prosperity and opportunity across the regions and nations of the UK. Education has become one of our largest export industries. The desire of international students to study in our universities, colleges and schools has made us second only to the US as a destination of choice, with international students generating over £41 billion annually<sup>(1,2)</sup> and supporting hundreds of thousands of jobs from the Highlands of Scotland to the South West of England.

International students who choose the UK are not just part of our university and college communities - they are investors in our regional economies. They provide opportunities for UK students to study in multinational classrooms, bring vitality and tremendous cultural contributions to our campuses and communities, and create economic multiplier effects that support local businesses, housing markets, and public services. In exchange, the UK provides a transformative educational experience.

The regional impact of international student recruitment has historically been perceived in varied ways, welcomed by some as an economic driver, viewed by others as a source of strain. Recent UK policy decisions have increasingly restricted international student numbers, directly threatening the financial sustainability of universities and colleges that serve as anchor institutions in communities across the country.

This inquiry set out to examine the regional impact of international students and understand what supports sustainable growth in their numbers across the UK's nations and regions. As the inquiry progressed the Immigration White Paper was released and proposed education providers should assess the regional impact of international students and that industry should have plans to reverse high numbers of Skilled Worker visas. Our inquiry incorporated these questions into our discussions and sought evidence-based solutions at a regional level through collaborative approaches that balance national immigration objectives with regional economic, and skills needs. The inquiry recognised that, within the UK's devolved framework, international education must be strategically embedded within regional economic strategies to ensure the best outcomes for domestic and international students. We heard from parliamentarians, students, universities, colleges, researchers, and policy experts. The findings are clear: international students are not merely visitors to our shores, but active contributors to economic growth, cultural enrichment, and innovation across every constituency in the United Kingdom, but there is more we can do. Through collaboration and an alignment of existing strategies international students can provide greater economic growth, while becoming advocates for UK regions worldwide.

The findings reveal that many regional economies rely on international students in different ways. Higher education is now the largest export industry in 26 parliamentary constituencies and ranks among the top three exports in over 100 constituencies <sup>(3)</sup>. Given this economic significance and the UK's ongoing devolution agenda, international education must be systematically integrated into regional development strategies rather than treated as a separate policy area. Currently, multiple strategies operate in parallel – from regional industrial strategies and national skills plans to tourism and trade promotion – yet few explicitly coordinate around international education despite its cross-cutting importance. This represents a significant missed opportunity, as international students don't just attend our institutions - they shop in our high streets, rent in our housing markets, volunteer with our charities, and often stay to fill critical skills gaps in our NHS, technology sector, and other

essential services. The strategic importance of international education demands that it becomes a central pillar of regional planning, with coordinated approaches that align education, economic development, skills, and community integration policies to maximise the benefits for local areas.

From university cities like Manchester, Leicester, and Durham to communities where colleges provide vital skills training, international students bring investment, create jobs, and enhance the educational experience for domestic students. They are integral to the sustainability of our world-class higher education sector, have the capability of supporting growth in our further education colleges and essential to addressing critical skills shortages in health, technology, and other vital industries.

The research considered by this inquiry also showed that the public recognises these contributions. Despite political rhetoric that often treats international students as part of an immigration concern, the British people understand their value and do not support policies that would significantly reduce their numbers. This foundation of public support creates a valuable opportunity for policymakers to develop better regional data, moving away from net migration figures. A re-focus on regional data would support more ambitious regional strategies to build on the positive public sentiment, encouraging deeper community engagement with international students and expanding initiatives that maximise their contributions to local economies and cultural life across the UK.

Our thanks go to all those who contributed to the inquiry, including the students who joined our international student experience roundtable and shared their perspectives on studying and living in the UK, the universities and colleges who shared detailed case studies of regional collaboration, and the researchers who provided robust economic and social analysis of the impact of international students in our communities around the UK



**Lord Karan Bilimoria**  
Co-Chair, APPG for International Students



**Abtisam Mohamed MP**  
Co-Chair, APPG for International Students

# Executive Summary

International students benefit the UK economically, culturally and socially whilst studying and after graduation. They are an integral part of British society, contributing to the diverse mix of people in our institutions, communities, regions and nations.

Seven years after our landmark 2018 inquiry, the economic case for international students remains overwhelming. Beyond the headline figure of £41.9 billion in annual economic contribution <sup>(1,2)</sup>, regional analysis reveals that every £1 million of university revenue generates between £2.3–£2.5 million in additional regional output <sup>(4)</sup>, supporting employment across diverse sectors. Universities UK analysis shows that higher education is now the largest export industry in 26 parliamentary constituencies and ranks among the top three exports in over 100 constituencies <sup>(3)</sup>.

In the context of ongoing global competition for international talent, this inquiry provided a unique opportunity to understand the broader contributions and impacts international students make to the UK's regions and nations. The inquiry explored their role as residents, employees, graduates and entrepreneurs. It also looked more closely at collaborative approaches to maximising the positive contributions international students can make as part of a balanced approach to international education.

Our inquiry comes at a critical juncture. The past 18 months have seen significant policy changes affecting international students, including restrictions on dependants and proposals to reduce the length of the Graduate Route visa. The evidence reveals international education in the UK is at a crossroads. While international students continue to deliver extraordinary value, policy uncertainty threatens to undermine this success. Applications for study visas in August 2024 were 17% lower than in 2023 <sup>(5)</sup>. This decline has already led to widespread university redundancies, with over 5,000 staff roles confirmed and potentially 10,000 total positions at risk <sup>(6)</sup>. With international student fees accounting for 20–33% of university income <sup>(7)</sup>, institutions are highly vulnerable to enrolment volatility. A single year of reduced recruitment could shrink GDP by 0.5%, while sustained declines risk compounding economic and institutional damage.

The aim of this Inquiry has been to evaluate the wider impact of international students across the UK's regions and nations, exploring benefits and areas of strain. We also considered how the UK can maximise and increase the benefits of international students to the UK economy, to our institutions and our local communities, and to our soft power, trade and international influence. In doing so, we are responding to two challenges. First, of ensuring that the UK retains its global influence in international education, and second that the education sector has the tools to demonstrably minimise any potential strain from international students on the UK's regions and nations: a challenge set by the Government's recently published White Paper 'Restoring control over the immigration system'.

The evidence we received painted a picture of valued contributions alongside legitimate concerns about infrastructure and planning. Our expert roundtable heard evidence that every 10 International students support an average of six jobs in their local economies, half in HE and half in local economy and supply chains, volunteer thousands of hours in community services, and increasingly choose to remain in the UK to fill critical skills gaps <sup>(8, 9)</sup>. Yet communities need better data and support to plan for accommodation, healthcare, school places, and other services.

Having heard all the evidence and considering opportunities and challenges we are recommending that the Government supports a comprehensive regional approach to

international students that maintains the UK's competitive edge while ensuring sustainable growth is distributed across all regions according to their needs. Central to this is data on international students at a regional level, moving away from including students in the net migration figures, and preserving the two-year Graduate Route – essential for employers to deliver meaningful experience in regional businesses.

# Recommendations

**1** Establish individual international education strategies within each of the devolved regions, aligned to national strategies for education, skills and migration.

**Regional Strategies should:**

**1a** Showcase the region's value to international students

**1b** Actively promote study pathways across the education ecosystem of the area

**1c** Support international student recruitment to courses that meet local skills needs

**1d** Link educators and businesses to turn international students into lasting trade and investment connectors

**2** Government should deliver detailed regional data covering students, their dependants, and post-study employment, distinguishing the temporary nature of student migration.

**3** Universities, colleges, and schools should deepen regional collaboration to maximise the positive impact of international students.

**4** To meet the needs of regional employers, the Graduate Route visa should remain unchanged.

**5** Skills England should create a clear strategy to revive international education below degree level to boost funding for providers meeting regional skills needs and support regional growth.

**5a** Skills England should lead a UK-wide taskforce to improve the student visa offer for high-demand skill areas, where they align with regional skills plans.

# About the All-Party Parliamentary Group for International Students

The All-Party Parliamentary Group (APPG) for International Students was established to: recognise the internationalisation and global prominence of UK education; promote the value of international students to UK education, economy and ‘soft power’; raise awareness of issues which affect international students and UK education; and provide a platform for collaboration between parliamentarians, international education institutions and professionals and business leaders.

## Acknowledgements

We would like to thank all the groups and individuals who submitted their research and joined the roundtables for the inquiry, the APPG Advisory Group for their help reviewing the recommendations, and our secretariat, Independent Higher Education for its support in developing and designing the final report.

## Powers

The APPG is an informal cross-party group, registered in the House of Commons as an All-Party Group, and recognised by Parliament. It does not have Select Committee powers.

## Publications

Reports and briefings are published on the Group’s website at <https://internationalstudents.org.uk>.

## Committee staff

Independent Higher Education provides the APPG secretariat. This report was written by

Lily Alimi and Joy Elliott-Bowman on behalf of and in partnership with the APPG Officers and Members.

## Contacts

All correspondence should be addressed to the APPG Secretariat by email at [appg@internationalstudents.org.uk](mailto:appg@internationalstudents.org.uk) or by letter c/o Independent Higher Education, 7 Bedford Square, London, WC1B 3RA.

## Disclaimer

The facts presented and views expressed in this publication are those of the APPG Officers and the content has been agreed by Officers prior to publication. The content is not necessarily endorsed by other members of the APPG for International Students, the political parties of the members of the Committee or Independent Higher Education as the secretariat.

# The Inquiry Process

In April 2025 the APPG for International Students launched an inquiry into Regional Impact and Sustainability of International Students in the UK.

## Inquiry Terms of Reference

The APPG for International Students set out to examine the regional impact and sustainability of international students in the UK. The inquiry was launched in response to mounting concerns about declining international student numbers and regional disparities in their impact. Evidence was emerging of regional collaborations to support sustainable approaches to growth in international student numbers. The scope of the inquiry encompassed economic, social, and cultural contributions alongside challenges in accommodation, infrastructure, and service provision.

The inquiry did not have an open call for new evidence but requested existing research and publications through the APPG's advisory board and by contacting organisations who had recently published information on the topic. The Inquiry identified research to cover the following questions in particular:

- What are the net benefits and costs of international students at regional levels?
- How have recent policy changes affected regional sustainability?
- What factors influence public perception of international students across different regions and nations?
- Which collaborative models to support international student impact on a regional or devolved national level deliver the best outcomes?
- What data and policy changes would better support sustainable growth?

## Submissions

The Inquiry held two roundtables to assess the established research identified through the engagement process. The Expert Roundtable brought together key representatives from across the education sector and researchers in this area. This event marked the beginning of a wider engagement process, during which the Inquiry invited the submission of publications from universities, colleges, businesses, think tanks, regional organisations, students, and graduates. These submissions focused on practical examples of collaboration and impact across the UK's nations and regions.

In addition to the Expert Roundtable, the Inquiry also held a Student Experience Roundtable to hear the experiences, contributions, and challenges facing international students while studying in the UK.

# International Student Overview

International students in the UK undertake courses at higher education institutions, further education colleges, English language schools and independent schools. The information in the following section provides an overview of the current international student landscape in the UK.

For the purpose of this inquiry, an international student is defined as someone who is not domiciled in the UK but resides temporarily in the UK to study. The definition applies to any duration and level of study and at all providers.

## How many international students are in the UK?

The United Kingdom is home to approximately 732,285 international students <sup>(10)</sup>, securing its place as the second most popular global destination for international study, behind only the United States. This represents a substantial population contributing across a broad spectrum of UK education.

Higher education remains the principal anchor, with the 2023/24 academic year recording an estimated £41.9 billion in economic impact <sup>(1,2)</sup>. These students now account for 25.2% of all higher education enrolments in the UK <sup>(10)</sup>. The postgraduate taught sector, in particular, experienced exceptional growth – expanding by 77% between 2018/19 and 2021/22 <sup>(11)</sup> – before stabilising and entering decline in 2023/24 amid shifting policy conditions <sup>(10)</sup>.

English language training continues to demonstrate the UK's global leadership, with 349,679 students studying at English UK member centres in 2023, contributing £1.8 billion in GVA while supporting 40,000 jobs across communities nationwide <sup>(12)</sup>.

The further education sector maintains strong international engagements <sup>(13)</sup>. Independent schools enrolled 25,526 international students as of January 2024, according to the ISC Annual Census, predominantly in sixth form programmes that often serve as stepping stones to UK higher education <sup>(14)</sup>.

The pathway sector provides crucial academic preparation, with Kaplan International Pathways alone reporting over 6,000 students successfully completing foundation programmes in 2024 <sup>(15)</sup>. Across the sector, pathway programmes contribute an estimated £450 million in export value annually, preparing students for progression through the UK's flexible education system <sup>(16)</sup>.

## In which part of the UK are international students studying?

The majority of international students in higher education study in England, with a marked concentration in London and the Southeast. London and the Southeast collectively host 37.11% of all international students in the UK <sup>(10)</sup>, a concentration that reflects both the density of world-class institutions and employment opportunities in these regions.

Scotland is the second most popular nation for international students, hosting 11% of the total international student population <sup>(10)</sup>. Scottish institutions benefit from strong government support for international education and coordinated retention strategies across major cities including Glasgow and Edinburgh. Wales accommodates 6% of international students <sup>(10)</sup>, with particular strength in healthcare education where innovative partnerships between universities and the NHS have created distinctive pathways for international students seeking careers in health services. Northern Ireland hosts approximately 3.9% of the UK's international student population, according to the latest data from HESA for the 2023/24 academic year <sup>(10)</sup>. While this marks a notable increase from previous years – driven in part by expanded programmes and recruitment efforts – it still represents the smallest share among the UK nations.

Within England, regional distribution varies significantly beyond the London-Southeast concentration. The Northwest, Yorkshire and Humber, and West Midlands have some substantial regional centres for international education though this is not balanced across the region, while other English regions accommodate smaller but significant international student populations. Cities such as Manchester, Birmingham, Leeds, and Newcastle serve as major regional hubs, each hosting multiple institutions with substantial international enrolments.

### International Student Numbers by UK Regions

*Regional distribution and changes: 2022/23 to 2023/24*

Region	Non-UK 22/23 Numbers	Non-UK 23/24 Numbers	Change Numbers	% Change	2022/23 Share	2023/24 Share	Share Change
London	209,860	207,685	-2,175	-1.0%	27.6%	28.4%	+0.8pp
Scotland	83,975	73,915	-10,060	-12.0%	11.1%	10.1%	-1.0pp
Southeast	66,835	64,045	-2,790	-4.2%	8.8%	8.7%	-1.0pp
Northwest	57,305	57,630	+325	+0.6%	7.6%	7.9%	+0.3pp
West Midlands	57,480	52,060	-5,420	-9.4%	7.6%	7.1%	-0.5pp
Yorkshire and The Humber	56,250	55,955	-295	-0.5%	7.4%	7.6%	+0.2pp
East of England	53,975	53,805	-170	-0.3%	7.1%	7.3%	+0.2pp
East Midlands	47,520	44,075	-3,445	-7.2%	6.3%	6.0%	-0.3pp
Southwest	42,920	42,165	-755	-1.8%	5.7%	5.8%	+0.1pp
Northeast	37,860	37,060	-800	-2.1%	5.0%	5.1%	+0.1pp
Wales	28,710	27,795	-915	-3.2%	3.8%	3.8%	0.0pp
Northern Ireland	16,170	16,090	-80	-0.5%	2.1%	2.2%	+0.1pp

*Source: Analysis of HESA Higher Education Student Statistics: UK, 2022/23 and 2023/24. Regional breakdown of non-UK student enrolments by region of HE provider.*

An analysis of non-UK student enrolments across UK regions reveals a modest overall decline in international student numbers, with notable regional variations. The total number of non-UK students fell from 758,860 in 2022/23 to 732,280 in 2023/24, representing a 3.5% decrease and a net decline of 26,580 students.

The concentration patterns reflect broader economic and educational factors, including the number of education providers who rank highly in international league tables, reputation of geographic regions, employment opportunities, cost of living considerations, and regional connectivity. However, this distribution also highlights significant opportunities for regions seeking to expand their international education offer.

### **What is the economic contribution of international students?**

The economic impact of international students extends well beyond direct tuition payments, representing one of the UK's most substantial sources of consistent inward investment. Recent analysis by the Higher Education Policy Institute shows that international students contribute over £10 billion in fees to English universities alone, while additional living expenditure creates significant further economic benefit throughout their studies. Unlike commodity exports or manufacturing sectors dependent on global supply chains, this represents predictable, upfront investment that flows directly into local economies nationwide. Every £1 million in university revenue supports 13.4 jobs within the university itself and an additional 13.8 jobs across other sectors of the UK economy <sup>(4)</sup>. These multiplier effects vary by region, with universities generating significant additional economic output in their local areas. On average, every ten international students supports six jobs in the local economy <sup>(4)</sup>. Colleges involved in international activity contribute significantly to this effect, generating an average of £805,000 in income per institution through international work, and 80% employ dedicated global engagement staff – further underscoring their role in stimulating regional economies <sup>(13)</sup>.

International graduates deliver exceptional value to the UK taxpayer. International students working part-time and graduates on the Graduate route visa deliver exceptional value to the UK treasury. They are subject to a "double taxation" effect—paying full income tax and National Insurance but prevented from accessing social protection and housing. They pay upfront for the NHS through the immigration health surcharge, a fee in addition to the standard tax contribution. While working they often fill critical skills gaps, especially in regions struggling to attract domestic talent, and contribute to entrepreneurship, research, and innovation.

The benefits of international education are also widely distributed across the country. In over one hundred parliamentary constituencies, international education ranks among the top three export industries <sup>(3)</sup>. Beyond their direct economic impact, international students play a vital role in sustaining the financial health of UK higher education. The fees paid by international students are essential to maintaining the balance between teaching costs and funding, often accounting for between one-fifth and one-third of total income at Russell Group institutions.

Annual higher education financial data (TRAC) shows that publicly funded teaching (-£2 billion) and research (-£6.1 billion) both ran a deficit in 2023-24. Funding from international students was one of only two areas which ran a surplus (£3.7 billion) representing 30% of all income across higher education providers <sup>(7)</sup>.

This economic impact is underpinned by substantial international student participation across the sector. The Independent Schools Council's 2025 census reveals that 61,750 non-British pupils attend ISC schools, including 25,526 pupils whose parents live overseas, representing 4.7% of the total pupil population (compared to 4.6% in 2022) <sup>(17)</sup>. The financial model supporting this international education relies significantly on full-fee-paying international students to cross-subsidise educational provision. Expert roundtable discussions highlighted that substantial financial assistance for British families is significantly underpinned by income from full-fee-paying international students. According to the British Association of Independent Schools with International Students, this cross-subsidisation model enables many British children – who might otherwise be unable to access independent education – to benefit from means-tested support funded through international student fees <sup>(18)</sup>. Fee assistance worth over £1.5 billion was provided in 2025, an increase of 11.4%, with over a third (34.5%) of all ISC pupils receiving some type of fee assistance.

In regions outside London, the growth in international student numbers has transformed them into a disproportionately vital pillar of local economies. In constituencies like Manchester Rusholme, international students account for over a quarter of total exports – more than £215 million – demonstrating that despite being fewer in number, they punch far above their weight economically <sup>(3)</sup>. In Sheffield, international students contribute over £70 million to the local economy <sup>(19)</sup>, supporting a wide range of businesses, housing providers, and service industries. In Exeter, international students were found to contribute £57.4 million to the city's GDP, with nearly half of that coming from tuition fees, 43 percent from living expenses <sup>(20)</sup>, and the remainder from spending by visiting friends and family. In areas where universities are among the largest employers, the loss of international student income would be deeply felt.

This heightened impact is especially pronounced where alternative export sectors are limited, making the higher education sector a dominant force. In contrast, London – while host to large volumes of international students – benefits from a more diversified trade base, meaning the relative export share of higher education is smaller. Therefore, a reduction in student numbers would have minimal local disruption in London, but in places like Manchester, Sheffield and Exeter it could significantly undermine regional prosperity.

In sum, international students are not only vital to the UK's economic prosperity but also to the sustainability and inclusivity of its education system. Their presence strengthens communities, supports jobs, and underpins the global competitiveness of British education and research.

### **How has UK policy impacted international students' regions of study?**

The policy environment has undergone dramatic transformation since 2023. Policy uncertainty has created immediate, measurable impacts on international student recruitment. In August 2024, student visa applications fell by 17% compared to the

previous year<sup>(5)</sup>, while dependant visa applications dropped by a staggering 84% in the year ending December 2024<sup>(21)</sup>. Between January and July 2024, overall applications declined 16% year-on-year – potentially resulting in 60,000 fewer international students<sup>(22)</sup>.

The effects are not only numerical but behavioural. In 2024, nearly 6,600 prospective students withdrew their applications – an increase of 127% from 2023. Notably, the final quarter of 2023 alone saw 2,000 withdrawals, marking a 366% rise from Q4 2022<sup>(23)</sup>. The impact of these policy shifts is uneven across the UK. London remains comparatively resilient, buoyed by higher average graduate starting salaries that often meet Skilled Worker visa thresholds. In contrast, many regional job markets fall short of these salary benchmarks. London's position as a hub for finance, business, and technology – alongside its dominance in emerging industries like AI, with 45% of companies and 40% of the workforce<sup>(24)</sup> – underscores the regional imbalance in post-study career opportunities.

Proposed changes to the Graduate Route – reducing post-study work rights from two years to 18 months – would further compound existing regional disparities by disadvantaging graduates seeking employment outside London and the Southeast<sup>(25)</sup>. This reduction particularly harms students in regions where lower average salaries make it harder to meet Skilled Worker visa thresholds, while the concentration of Skilled Worker visa sponsors in London and the Southeast already creates geographic barriers to graduate retention in other regions. As recorded in our 2018 inquiry report, the majority of employers who hold a licence to sponsor Skilled Workers are in London and the Southeast. Our 2023 inquiry report into the effectiveness of the Graduate visa showed many employers with graduate programme favoured a longer Graduate visa to avoid the costs of Skilled Worker visas for graduate programmes. Many professional accreditation pathways, such as architecture and law, require two years of qualifying experience. Stakeholders have warned that numerous graduate roles demand at least this duration<sup>(26)</sup>, making the proposed reduction a potential barrier to career progression, forcing international students into the Skilled Worker route which is less accessible outside London and the Southeast. International students are therefore less likely to stay in the regions they studied, should the Graduate Route visa be shortened to 18 months.

Regional universities are particularly exposed. In areas where a single institution anchors the local economy, declining enrolments can have "catastrophic impacts," with few alternative employment options<sup>(27)</sup>. This raises the risk of a "brain drain" from regions already struggling to retain academic and professional talent.

Some devolved nations have responded with targeted strategies. Scotland has countered disadvantages through coordinated government support, while Wales has leveraged NHS partnerships to attract and retain students<sup>(28)</sup>.

### **What factors influence international students' decision making and regional choice?**

International students' choices of study regions are shaped by a complex interplay of institutional reputation, affordability, and local characteristics. Among these, university rankings – particularly QS rankings – consistently emerge as a dominant factor, guiding students' decisions across various regions<sup>(29)</sup>. However, students often weigh these

rankings against practical considerations such as cost of living and post-study opportunities.

Affordability is a key factor shaping international students' regional choices, particularly outside of London. Students in smaller cities such as Sheffield emphasised the appeal of lower living costs, especially in the context of fluctuating currency exchange rates <sup>(30)</sup>. These financial considerations extend beyond initial decision-making, influencing students' long-term plans. Many studying in regional areas expressed intentions to relocate to larger urban centres after graduation, seeking broader career opportunities and stronger professional networks <sup>(31)</sup>. London students generally expressed intentions to remain due to cultural and business opportunities <sup>(32)</sup>, supported by higher graduate salaries.

A significant barrier across all regions is the 20-hour weekly work limit <sup>(33)</sup>, which many students described as a source of genuine hardship. Internships requiring more hours were often inaccessible <sup>(34)</sup>. Students highlighted barriers to fuller integration, particularly visa restrictions preventing self-employment and entrepreneurship. These limitations not only affect their financial well-being but also restrict their ability to contribute meaningfully to local communities and gain relevant work experience while they study.

Financial constraints extend beyond work restrictions to fundamental exclusions from domestic student support systems. Students emphasised that assumptions about international student wealth were often incorrect, with many struggling due to exchange rate volatility, limited work hours, and limited access to emergency financial aid or support resources during unexpected crises <sup>(34)</sup>.

# Recommendations

## **Establish individual international education strategies within each of the devolved regions, aligned to national strategies for education, skills and migration.**

To move from isolated success to systemic impact, government must support the development of formal regional strategies for international education. This means building coordinated frameworks that reflect the UK's educational diversity and connect national ambition with local delivery. Achieving this will require collaborative effort: central government providing strategic direction and resourcing; devolved administrations using distinct policy levers; combined authorities supporting local coordination; education providers aligning recruitment and support with regional capacity; and employers ensuring clear employment pathways for all students, including those from overseas. Together, these partnerships can unlock the full societal value of international education across the UK's nations and regions.

Government is already aligning industrial, skills, and aspects of migration strategies with regional priorities. Because education is central to these agendas – and international education contributes significantly to their success – regional alignment is both practical and strategic. Embedding international education within regional frameworks would also support implementation of recent government policy. The Immigration White Paper states: "We will ensure there are arrangements, for future international student recruitment, for sponsoring institutions to demonstrate that they are considering local impacts when taking decisions on international recruitment." Currently, however, there is little consistent evidence or infrastructure to assess those local impacts in a meaningful way. Regional international education strategies could provide a useful framework for institutions to demonstrate alignment with local needs – helping them meet policy expectations while also informing more responsive and sustainable approaches to recruitment and support.

The United Kingdom's success in international education is rooted in the strength and diversity of its education sector. Universities, colleges, independent schools, and language providers all contribute to a rich ecosystem that offers multiple entry points and progression pathways for learners. This diversity enhances student choice and access and has been integral to the UK's enduring global appeal. However, emerging policy approaches may risk narrowing this landscape by prioritising certain institution types and concentrating provision geographically – potentially overlooking the wider social, cultural, and educational benefits that a broad-based regional approach can bring.

The transformative potential of international education is best realised through a regions first approach. Currently, the UK's International Education Strategy operates largely in isolation from regional development plans. This disconnect limits the ability to coordinate growth that could respond to local skills needs, strengthen public services, and deepen

community engagement. The international education strategy must be aligned with regional needs to ensure it supports all regions and a diversity of education pathways.

Across the UK, promising regional initiatives are already beginning to emerge, often led by local recognition of the broader value international education brings. In Wales, for example, government-supported efforts enable universities to recruit international students into subsidised nursing programmes funded by Health Education and Improvement Wales. These students gain clinical training and a guaranteed NHS role in exchange for a two-year service commitment, contributing directly to community healthcare provision. In Greater Manchester, the Student Partnership connects five Students' Unions with the Combined Authority to support international student wellbeing and graduate retention – aligning education with local workforce priorities. In Teesside, over 1,100 international students have volunteered across local organisations over three years – building community links and supporting civic life while contributing over £330 million to the local economy (35).

These examples demonstrate the wide-ranging value of regionally aligned international education strategies – not only in addressing skills shortages and supporting local economies, but also in enriching social cohesion and creating more inclusive, multicultural communities.

This inquiry found no definitive evidence that international student recruitment growth specifically placed undue pressure on local accommodation, transportation or other services. There was evidence from the Migration Advisory Committee that those coming from overseas to stay in the UK were far more likely to live in rented accommodation, but only case study evidence exploring if students lived in purpose-built student accommodation rather than accessing the private rental market in large numbers.

Evidence from the Greater London Authority and from a partnership of universities in Edinburgh suggest that many universities guarantee international students' space in purpose-built student accommodation for their first year and work with them in later years of study to give housing advice. Two-thirds of FE colleges said they offered homestay accommodation to their students, and only 31% said they had purpose-built residences for students. Colleges specifically noted accommodation as a challenge for their sponsorship of international students, with 58% reporting it as a key issue and many saying a decline in offers for homestay accommodation was one of the reasons for this concern <sup>(13)</sup>. The AoC notes that "the government ban on college borrowing means that colleges cannot upgrade or invest in residential facilities even where rent income would cover costs.

## CASE STUDY

### Edinburg Universities Collaborate on Housing Solutions

Amid Scotland's housing emergency and rapidly growing student numbers, Edinburgh's four universities launched a joint research initiative to evaluate accommodation needs and develop solutions with the City Council. As the UK's seventh largest student location with 62,660 students, Edinburgh has experienced significant growth in student populations over the past decade, fuelling unprecedented demand for housing.

The research reveals stark disparities in accommodation costs, with average weekly rents 14% higher than peer group universities and private sector direct-let beds priced 1% higher than university rooms – far exceeding the 50% average across comparable institutions. This evidence enabled universities to present data to local authorities, demonstrating how cross-institution research can directly inform regional housing and planning decisions.

This type of collaborative approach to infrastructure and services could form a core part of a regional approach to sustainable international student recruitment. Sharing information, conducting research, and supporting investment in key services is best done in collaboration with regional authorities and other education providers in the area. The research identified by the expert roundtable also suggested that there is benefit for domestic students when efforts are coordinated to address issues that ultimately impact all students, as well as the wider community. When more student accommodation is available, costs are kept low and more students choose not to access the private rental market, releasing pressure on those unable to access purpose-built student accommodation.

Effective solutions to reduce pressure on infrastructure or services locally requires improvement in the data available to education providers, regional authorities and those delivering the service. As we will explain in recommendation 2 below, this information is not readily available or accessible at a regional level. Data is critical to assessing the impact of any change in international students, whether numbers grow or decline. Universities, colleges, schools and regional authorities need this information for sound decision making and measurable impact.

## Regional Strategies should:

### 1a. Showcase the region's value to international students

The UK's position as a top destination for international students has been challenged in recent years by policy uncertainty and a lack of clear, positive messaging. While competitor countries have invested strategically in promoting their education systems, the UK has often allowed its image to be shaped by misconceptions and fragmented narratives. Regional international education strategies offer a powerful opportunity to change this narrative. By embedding regional campaigns – co-developed by government, regional authorities, and education providers – regions can actively promote their unique strengths to prospective students. These campaigns should not only highlight regional economic sectors and career development opportunities but also showcase the student experience, including wellbeing, community engagement, and the cultural richness of each region. Clear, accessible education pathways – from English language training to further and higher education – will also help students make informed decisions about their academic journey in the UK.

Public opinion data strongly supports the case for positive messaging. According to British Future's 2025 polling, international students are viewed more favourably than any other immigrant group. Half of respondents agreed that increasing international student numbers benefits the economy, while 51% believed that students who remain in the UK to work after graduation have a positive impact – compared to just 15% who disagreed<sup>(36)</sup>. Residents of university towns expressed even more favourable views, suggesting that direct interaction with international students enhances public understanding and appreciation. Regional campaigns give the opportunity to amplify regional success stories, engage community leaders – including mayors, business figures, and civic organisations – and highlight locally and globally the contributions international students make.

Prospective students can place themselves in the regional context before they arrive, allowing them to step in to opportunities and community engagement from day one as a student. Regional collaboration on marketing the local offer gives each region the opportunity to share its diversity and strengths, ensuring relevance and resonance with local and international audiences alike. To be successful, these campaigns must be supported by sustained investment. A multi-year funding commitment shared across partners in these strategies, is essential to ensure consistency, build long-term relationships, and maintain momentum. In parallel with these efforts, the UK must respond to the strategic investments made by its global competitors. Australia, for example, has committed £35 million to education promotion through systematic marketing<sup>(37)</sup>. A similarly ambitious and well-funded UK campaign would not only restore international competitiveness but also send a clear signal: that international students are valued contributors to the UK's prosperity and future. Continued stakeholder engagement will be vital to maintaining alignment and coordination across government and education sectors.

## 1b. Actively promote study pathways across the education ecosystem of the area

The UK's educational diversity represents its greatest competitive advantage in international markets, yet current approaches fail to leverage this strength for regional development. Students increasingly choose UK education at earlier ages and touchpoints including English summer programmes, sixth form experiences, or full British school education, create opportunities for cumulative educational investments that build lasting connections to UK communities. Promotion of education pathways within a region help international students see opportunities to better connect with the region across their journey, building local networks from earlier in their education experience.

Promoting regional pathways also extends the benefits of international education across the region through promoting smaller education offers like that of FE Colleges, independent schools and English-language programmes which are more likely to exist outside of urban centres. English language schools represent significant economic benefits but receive minimal policy attention despite substantial contributions. Data from English UK suggests Northern Ireland and Central England face declines in English language students, representing lost opportunities for regional economic development and student progression to further UK study. Independent schools often serve as major employers in small towns and rural areas, bringing international students into communities that would otherwise lack international connections whilst supporting local economies through employment and service provision.

Evidence to the inquiry did note how current immigration rules create artificial barriers that force students to choose between provider types based on visa limitations rather than educational appropriateness, undermining the UK's key strength of flexible progression pathways.

The Association of Colleges documented how 2015 restrictions devastated educational progression pathways when students at FE colleges could no longer extend stays to complete programmes, switch to more appropriate courses, progress to higher educational levels in-country, or access skilled employment after graduation. Forcing students to leave to apply for the next stage in their study contradicts the UK's traditional strength in offering flexible transition routes and programmes within school, further education, and higher education contexts.

The evidence submitted to this inquiry shows that students making long-term commitments to UK education across multiple levels provide cumulative positive impacts, developing deeper UK knowledge, stronger community connections, and enhanced economic contributions. This inquiry heard how the natural flexibility and responsiveness to student needs has been stymied by proposed change to immigration rules and associated bureaucracy. Current rules were deemed prescriptive in relation to what students can and cannot study, how long they are able to study at certain levels, and what constitutes academic progression from one programme to the next.

The evidence overwhelmingly demonstrates that progression pathways should be supported and enhanced through coordinated regional strategies involving providers from all education levels. To support this Government may wish to consider adopting models like New Zealand's multi-level, multi-course visa, enabling institutions to collaborate in supporting individual student progression through educational journeys.

## 1c. Support international student recruitment to courses that meet local skills needs.

To unlock the full potential of international education in addressing regional skills shortages, UK regions should support international student recruitment that aligns with local economic priorities and workforce needs.

### CASE STUDY

#### Wales Recruits Student Nurses

In response to declining domestic nursing applications and persistent NHS staffing gaps, the Welsh Government in 2023 authorised universities to recruit international student onto Health Education and Improvement Wales-sponsored undergraduate nursing programmes. These students receive subsidised education, clinical training, and guaranteed employment pathways, in exchange for a two-year commitment to the Welsh NHS.

The programme demonstrates how international education can be purposefully designed to meet specific regional labour market demands, creating sustainable solutions that benefit both international students and local communities. By combining education, employment, and community integrations, Wales has developed a model that transforms international students into long-term contributors to regional economic and social infrastructure.

As demonstrated by the Wales NHS international nursing programme, strategic coordination between international student recruitment and regional skills planning can deliver targeted, high-impact outcomes <sup>(28)</sup>.

Rather than relying on international graduates to independently fill skills gaps, this model offers a structured, mutually beneficial approach. Students gain valuable experience and career progression; employers secure skilled professionals embedded in local contexts; universities strengthen sustainable recruitment; and communities benefit from enhanced service capacity.

To replicate this success across sectors, the Migration Advisory Committee's analysis of skills shortages, and in future evidence from the new Labour Market Evidence Group (LME Group) could help inform regional international education strategies. This would

help identify opportunities for similar programmes in healthcare, engineering, teaching, social care, and other sectors facing recruitment challenges. Local economies and communities would benefit from students while they study, and again after they graduate. Local programmes to train domestic students in these roles would be further supported by international students, bringing much needed numbers and international perspectives to the courses.

Regions across the UK could support international education offerings tailored to their priority skills areas. Projects such as The Northern Triangle Talent Project, a collaboration between Sheffield, Leeds and Manchester universities, aims to attract top technology talent to the north of England. The project, "dedicated to creating a diverse and globally focused talent community," has supported PhD students and early career researchers from the UK and around the world, and thrives on its mentors and participants being globally minded.

Scotland's leadership in renewable energy could support international student pathways into green technology careers, reinforcing net zero ambitions. Universities in Scotland recognise the role international students play in funding and supporting these qualifications. In London and the Southeast, the creative industries – contributing over 12% of London's gross value added according to Creative Policy & Evidence Centre analysis <sup>(38)</sup> – present substantial opportunities for international talent development. In each case international students could support new and existing courses to expand domestic student access through the added financial sustainability international students bring. Global approaches within these courses would be boosted by the range of ideas brought by international students, who would carry their experiences home into similar industries potentially boosting trade and opportunities.

Regional targets should be developed through genuine collaboration: central government providing strategic direction and resources; devolved administrations applying tailored policy levers; combined authorities coordinating local planning; education providers aligning recruitment with capacity; and businesses clarifying employment pathways. These targets should reflect real employment opportunities and infrastructure capacity – not as restrictive quotas, but as a framework for sustainable, coordinated growth.

## **1d. Link educators and businesses to turn international students into lasting trade and investment connectors**

International students generate enduring value that far exceeds the duration of their studies, forming one of the UK's most powerful global networks. Yet, despite its transformative potential, this strategic asset receives surprisingly limited attention. Success requires genuine coordination between skills assessment through Migration Advisory Committee analysis and regional labour market intelligence, education planning ensuring international recruitment aligns with identified shortages, employer engagement providing appropriate progression pathways and professional development, coordination with regional combined authorities and devolved administrations, and performance measurement tracking skills shortage resolution and economic impact. All

this could be delivered more effectively at a regional level, using more targeted outcomes for the different regions and nations of the UK, rather than the current model which has seen such positive impact unfairly balanced towards London and the Southeast.

Evidence from this inquiry found that across research, trade, diplomacy, and innovation, international alumni act as strategic assets. They drive global research ties, unlock business and investment channels, enhance the UK's soft power, and apply British-acquired expertise to transform sectors in their home countries. As one Chinese student shared in our student roundtable, their goal was to bring knowledge from the UK back to their family business – an individual story that echoes a broader, largely untapped opportunity for UK soft power and global economic engagement. They drive global research ties, unlock business and investment channels, and apply British-acquired expertise to transform sectors in their home countries. International education is one of the building blocks of the UK's soft power, currently the focus of the government's Soft Power Council <sup>(39)</sup>. There are many examples in this report the Council may find useful.

At the University of Sheffield, the Emerge programme is helping international students become entrepreneurs in the UK or bring their ideas home with many re-joining family businesses. At Northumbria University Newcastle the Graduate Futures programme and the START UP Founderships have both helped international students start business in the region. The deeper the knowledge gained throughout study and time on the Graduate visa, the more possibilities for connections when students return home.

This dynamic mirrors broader global trends. In the United States, 25% of billion-dollar startups were founded by former international students. The UK has its own success stories: Puraffinity, launched by Imperial College students from Denmark and Indonesia, is now advancing manufacturing in Middlesbrough; and Equiwatt, founded by a Newcastle PhD graduate from India, currently employs ten people in Gateshead <sup>(40)</sup>. These examples highlight how international education fosters innovation, entrepreneurship, and cross-border economic growth

In 2023, more than a quarter of all countries were led by individuals educated in the UK, highlighting the profound and lasting diplomatic and economic ties fostered through international education <sup>(41)</sup>. The London Education Research Network highlighted the particular importance of international connections through senior MENA graduates, noting that many university Vice Chancellors in the Middle East and North Africa region are UK graduates <sup>(42)</sup>. This global alumni footprint directly supports UK trade, influence, and international engagement. Evidence from the Russell Group underscores the critical role international graduates and former PhD students play in driving research and innovation. One university, for example, found that over 30% of its international research collaborations involve overseas partners who studied in the UK <sup>(43)</sup>.

Regional authorities and educational institutions should work together to develop comprehensive alumni engagement strategies that begin from the moment international students arrive, rather than upon graduation. The evidence to this inquiry gave some examples of engagement projects, which we outline below. These joint strategies should integrate regional business networks, community volunteering opportunities, and soft power development throughout the student experience, ensuring students build deep connections with both their institutions and the broader regional economy. Initiatives like the Northern Triangle Talent project are great examples of where regions have identified specific growth sectors, including sectors with growth potential through trade, and

through a global perspective have enhanced their value. The NHS Wales example shows that recruiting international students to address skills needs adds value across the students' study and working time. Coordination between these types of initiatives regional development agencies and skills initiatives could extend the range of opportunities to boost growth and the strategic connection points students make while in the UK, which can become soft power and continue to drive growth after they leave.

To build effective regional pipelines, structured initiatives should include employer mentoring schemes connecting students with local business leaders, SME engagement support to build confidence around visa sponsorship, sector-specific pathways in priority industries, and entrepreneurship incubation aligned with regional economic goals. To further the reach of such collaborations, the Department for Business and Trade could work regions to identify broader UK trade and investment objectives, leveraging students' language skills, cultural knowledge, and market insights further through collaboration between regions and government.

### **The importance of graduate outcome data**

Regional strategies should be supported by better data on graduate outcomes which can be obtained through improvements in the Longitudinal Education Outcome (LEO) data which we will discuss in recommendation 2, as well as more granular data on international students when they return home. The expert roundtable reported that research was emerging from the higher education statistics body Jisc, which had recently piloted additional questions for international graduates. Such initiatives could prove vital for understanding the potential connections that could be made with international graduates when they return home. For example, the most recent release of the graduate outcomes data suggests that over 2000 non-UK graduates were self-employed and over 1200 were running their own businesses <sup>(44)</sup>.

The Expert roundtable discussed the long-term potential of both undergraduate and postgraduate students who return to their home countries post study and cited a growth in research that demonstrates their contribution to business growth, and the growth of higher education and research. The research also suggests a number of other contributions such as the positive influencing of political culture, supporting freedoms and justice, as well as contributing national economic growth over time. Better data on what students do when they return home, gained through the graduate outcomes data, would help the UK map the broader impact of regional and national strategies on international education.

The evidence submitted suggests that effective strategies to build long-term connections start at the students' first study point in a region and are boosted by collaboration within the region, and through national activity. Education institutions including universities, colleges, and schools can all play a role in supporting students to build local connections and experience, Collaboration with business organisations including trade associations and chambers of commerce can bring expertise as commercial connections, and cultural institutions including local community groups and cultural organisations can promote ongoing engagement and social capital. Supporting regions to then connect when students return home needs frameworks delivered through national strategies for trade, international education and diplomacy.

Our expert roundtable discussed Greater London Authority's London Growth Plan, which recognises international students as a strategic city-wide asset, offering a blueprint for aligning recruitment and retention with broader economic goals. This moved away from less coordinated approaches which often place the burden on individual graduates to navigate job markets, rather than fostering systematic employer engagement.

We also heard how regional approaches are talking some of the barriers to international students and graduates building connections locally. While large London-based employers are typically well-versed in visa sponsorship, regional SMEs often lack the awareness or confidence to hire international graduates – resulting in significant untapped potential. The University of Exeter's Devon DEI partnership, which offered free training to local employers hiring international students, was designed to support employers across the region, not just those working with their own students. Collaboration could boost such models to reach more employers.

## **2. Government should deliver detailed regional data covering students, their dependants, and post-study employment, distinguishing the temporary nature of student migration.**

The current approach to measuring and managing international student flows represents a fundamental policy misalignment that has distorted UK strategy for over a decade. This approach contradicts economic evidence, public opinion, and strategic national interest, creating what can only be described as a profound disconnect between policy classification and public understanding whilst undermining the UK's competitive position in the global education market. An undue focus on net migration is taking away from a more valuable discussion on improving regional data on students, allowing regions and providers to make more informed decisions on recruitment. Despite assurances from the Office for National Statistics that improvements are underway, the current emphasis remains on broad national figures rather than on a more nuanced regional framework capable of identifying the optimal mix of migration types and visitor flows, and their varying economic impacts across different areas of the UK.

This approach contradicts economic evidence, public opinion, and strategic national interest, creating a profound disconnect between policy classification and public understanding whilst undermining the UK's competitive position in the global education market. The undue focus on aggregate national statistics obscures the more valuable discussion needed around improving regional data on students, which would allow regions and providers to make more informed decisions on recruitment and resource allocation.

### **International students are clearly defined as temporary, by both visa rules and evidence**

International students are temporary residents, as defined by their visa type. The distinction between temporary and permanent migration lies in legal status, intent, and pathway to settlement. International students enter the UK under strictly time-limited visas with clear departure expectations, unlike skilled worker visas or family reunion

routes that explicitly facilitate long-term settlement from the outset. Their stay in the UK is strictly time-bound under study visa conditions, and this period cannot be counted towards 'indefinite leave to remain' or used as a pathway to citizenship. Unlike permanent migration routes, student visas include specific provisions requiring departure unless individuals successfully transition to separate immigration categories with entirely different eligibility criteria and assessment processes. Just like other 'temporary routes' like visit visas, youth mobility visas, and charity worker schemes, to pursue long-term residency, they must first transition to a separate route – such as skilled employment – for their time in the UK to count towards permanent residency. The temporary nature of student migration is reinforced by visa conditions that prohibit certain activities available to permanent residents, including access to public funds, unrestricted employment rights, and the ability to sponsor family members for long-term settlement. Classifying students alongside those eligible to become permanent migrants obfuscates their distinct contribution and undermines evidence-based policymaking.

Fluctuations in student-related migration are highly predictable: increases in student numbers inevitably lead to corresponding declines as cohorts complete their studies and depart. The predictable cyclical nature of student flows—with clear entry and exit patterns tied to academic calendars—fundamentally differs from the more permanent settlement patterns associated with other migration categories. Statistical evidence consistently demonstrates that the vast majority of international students fulfil their temporary status, leaving the UK upon completion of studies, with only a small minority successfully transitioning to permanent residence routes through separate application processes. Historically, post-study work opportunities have added only around 20 percent to long-term migration <sup>(45)</sup> – a level that remains significantly lower than current headline figures suggest. Throughout this inquiry, no compelling evidence was presented to indicate a shift in this trend, and expert contributions consistently noted that it is too early to determine whether future patterns will differ in any substantial way.

Understanding the temporary nature of international students is essential for evidence-based policymaking. Recognising their distinct contribution would restore coherence between immigration and education objectives, protect the strategic export sector in regions across the UK, and align with public understanding of international students' temporary status and predictable departure patterns.

### **Data outside of HE is lacking**

Home Office statistics do not show the full picture of education, and while administrative data is available, there is no tracking of international students by region across other education pathways. Regions cannot disaggregate international students in Home Office or education data for:

- Further education students
- Pathway students at pre-degree level
- Sixth form or independent school students
- English-language students
- Other students on visit visas.
- Graduate employment routes

To address these gaps, more granular data is needed across visa statistics. Visit visas for study are an area for growth which could lead to more long-term study or business connections, but they are not currently recorded, though the information is collected.

Information on visit visas and study visas on the above group would allow for better tracking of student movement between educational levels and durations of stay beyond the initial study period. Crucially, this data should be captured at the regional level to enable targeted policy responses and support local education planning.

### **Mapping changes makes for better planning**

Our inquiry heard how better data from enrolment through to graduate work patterns could provide the base for effective planning between regional government and education providers. Regional information which maps student cohorts could be used to predict future flows and understand the longer-term impact. This information, which we understand is available in limited form through administrative data from HMRC, NHS and Council Tax, would allow for better planning for housing and services. From this base data regions could develop more regular data sharing on student numbers to capture more information on student movements and retention patterns, supporting regional strategies.

Housing is another area where better data on international students can support regional approaches. A national approach to this data suggests every region faces the same issues and their populations, student or otherwise, have the same needs. More granular data on housing trends for international students would, for example, take into account differences between urban and rural infrastructure capacities, student characteristics, and policy frameworks such as housing regulations and transport initiatives. Collaboration between local authorities and education institutions could then explore innovative planning solutions, including development dispensation on campus land to address student housing needs while freeing sites for broader development <sup>(46)</sup>. Transport system usage also warrants evaluation, particularly in rural areas where international students help sustain local services that might otherwise be financially unviable. Their presence can enable year-round operation of bus services, benefitting all residents. Migration tracked at a national level is ineffective at addressing any of the symptoms attributed to net migration. Regional data allows for regional authorities to take into account both the opportunities and challenges of increasing numbers of any group coming to the area, international students included.

### **Post-graduation data needs a boost**

Our expert roundtable underscored the need for comprehensive regional-level data to assess the post-graduation impact of international students for more effective and evidence-based policymaking. We discussed above the opportunities associated with expanding the graduate outcomes survey, but administrative data offers complementary data that can allow regions to make more evidence-based decisions on the future they want for international students in their region. The Longitudinal Education Outcomes (LEO) dataset is a vital instrument in the UK's evidence-based policymaking toolkit. It links higher education records with tax and employment data from HMRC and the Department for Work and Pensions, LEO offers detailed insights into graduate earnings, employment sectors, and regional mobility. It has become indispensable for shaping decisions around funding, course design, and labour market alignment. However, its current exclusion of international students represents a significant limitation, obscuring a full understanding of the impact of UK higher education on the economy and society. The extension of the LEO database to include international students was proposed as a technically feasible solution that would provide comprehensive data on post-graduation

outcomes. This would enable evidence-based policy making and help demonstrate the long-term economic benefits of international education. Without data on post-graduation outcomes, policymakers, local authorities, and institutions are left without the evidence needed to respond confidently or to design policies that maximise the benefits of international education.

It would also enable detailed monitoring of salary progression and career advancement, allow for comprehensive fiscal impact assessment by calculating cumulative income tax and National Insurance contributions over decades, and support policy effectiveness evaluation by assessing initiatives like the Graduate Route through actual outcomes rather than projections.

By applying this approach to international students, the UK could move beyond speculation and provide a factual, data-driven account of their role in regional and national development.

The Home Office already holds comprehensive visa data, which, when matched with education and tax records, would enable the UK to build the world's most advanced system for tracking international student outcomes. This would allow for real-time monitoring of graduate retention, geographic distribution, and career progression, as well as long-term analysis of earnings, benefit usage, and fiscal contributions. Such a system would provide a robust foundation for evaluating the effectiveness of policies like the Graduate Route, not through projections or assumptions, but through actual outcomes.

### **Regional data on contribution**

The evidence we collected demonstrated that international students contribute to the local economy exponentially, but much was based on limited data sources. If the above information were improved regions would have a far more accurate picture of contributions, in a similar way they currently have more granular data on areas like tourism or other growth industries. In addition, more detailed information from administrative sources like NHS, HMRC and housing sources would allow regions to better understand their contributions to local tax revenues through VAT, and other consumption-based taxes and confirm speculation that students have limited demand on public services due to their temporary status, use of private health insurance, and younger age profile.

Students also spend differently to both other visitors and those here for skilled work, offering unique opportunities to regional economies through these spending habits. Moving away from a focus on students in net migration would allow regions to focus on these students as both residents and tourists. National data could be developed through expanding the Student Income and Expenditure Survey to international students. The current survey, limited to domestic students only, fails to capture the distinct spending patterns and economic contributions of international cohorts, creating significant gaps in policy understanding. A comprehensive international sample would enable more precise modelling of regional economic impacts and inform evidence-based policy decisions regarding international student numbers and distribution across different types of institutions and geographical areas.

The University of Exeter offers a compelling case study of the value of detailed regional analysis. Using both national and local data on their own international students, The

University of Exeter demonstrated their students generated £44 million in total spending, resulting in a £25 million boost to the city's GDP and £30 million to the wider Southwest region. Visits from friends and family added a further £8 million – an economic benefit that is frequently underreported across the UK. More granular and inclusive approaches to measuring the full economic impact of international education could help produce the same for every region, across all levels of international education.

Government must move away from treating international students as long-term migrants through net migration figures and instead focus on replacing fragmented data collection practices with a systematic, standardised framework that enables consistent regional comparisons of temporary and long-term migration linked to the student route. Local authorities and education providers need access to timely, privacy-protected data that supports planning for housing, healthcare, and integration services. This includes live enrolment dashboards, predictive analytics to forecast the regional impact. There are indications that such measures are being considered in collaboration with the Office for National Statistics (ONS), and we strongly encourage the statistics authority to ensure that a regional lens remains central to the design and implementation of this approach.

Government should treat this activity as a priority, recognising that comprehensive data collection is not a luxury but essential infrastructure for sustainable international education growth. As the government has prioritised migration for policy making, it should ensure that relevant data is accessible for informed decision-making at both national and regional levels, tailored to specific groups within the immigration system. The benefits for policy development, community understanding, and strategic planning are significant. By shifting current debates from speculation to evidence, this initiative would foster public trust and demonstrate the long-term value that international students bring to the UK's regions and communities.

### **3. Universities, colleges, and schools should deepen regional collaboration to maximise the positive impact of international students.**

Maximising international students' contributions requires coordinated regional ecosystems where education providers work strategically together with a clear vision of what their local area needs. The research submitted to this inquiry showed examples where collaboration, between providers and the community, has created supportive environments enabling international students to flourish academically, integrate meaningfully with communities, and contribute substantially to regional economies throughout their educational journey.

International students increasingly choose to move between different educational pathways within the UK, from English language programmes through further education, pathway colleges, to higher education. When institutions coordinate support and integration effectively, these educational journeys create profound regional connections, deeper community ties, and stronger economic contributions that benefit entire regional ecosystems.

The collaboration we identified through the inquiry was not exclusive to activity for international students. Some of the best examples involved building frameworks for collaboration that extended across universities and colleges and engaged regional and local government, as well as business and community groups. Within these structures we found many examples of international students and international researchers – many who studied locally, part of programmes to boost local growth and increase community capacity. We found international students who had become entrepreneurs with the support of specific collaborations, as well as global companies active within programmes

### **CASE STUDY**

#### **Greater Manchester Civic University Agreement**

Greater Manchester Civic University Agreement brings together five higher education institutions and Greater Manchester Mayor Andy Burnham in a “collaborative effort to drive social economic and environmental change” across the region. The initiative is a series of activities including the Centre for Digital Innovation which supports businesses expand their digital capabilities and offers, research with community groups to tackle local challenges through student projects and consultancy, volunteering projects in local schools to raise ambitions for higher education, and collocation with further education colleges and business to boost skills and growth, including through their Local Skills Improvement Plan (LSIP).

International students are a part of all these different programmes, bringing their global perspectives, language skills, and the skills they are gaining as part of their study This initiative provides an excellent framework for collaborate work across a region where an international education strategy could intergrade seamlessly into established goals.

that drove growth and supported community investment. There were several themes that brought these collaborations together.

### **Collaboration for community development**

Activity to advance volunteering opportunities and increase support for the community were among the most common collaborations noted in the case studies, provided by the British Universities' International Liaison Association (BUILA), UKCISA, and individual universities and colleges.

At the University of East London, international students have contributed over 11,000 hours of volunteering since 2021 <sup>(47)</sup>, working with food banks, health charities, environmental groups, and legal clinics, with international students frequently among the most active participants.

At the University of Leeds, the Writing Back volunteering scheme allows international students to correspond with older local residents, sharing stories and cultures <sup>(48)</sup>.

At Teesside University, international students were well represented among their volunteering award winners, with many gaining recognition for community impact. They have developed a comprehensive structure for volunteering and employability that also supports students to undertake internships with the same groups later in their studies, as well as helping students find temporary or part-time employment that further promotes skills development. They shared the story of one student who undertook a volunteer role with Middlesbrough Council, which led to a placement during her Master's degree. That student is now an expert member of the Council team in her area of expertise as a graduate <sup>(35)</sup>.

### **Collaboration for connections**

Students expressed a strong desire to connect with their local area – from campus, to community, to employment. Opportunities to form connections, and support to navigate the environment in which they were now living and studying, were important to their ability to make a positive impact. Students spoke in the roundtable about how important these connections were to feeling positive about the area they were studying in.

On-campus support represents a crucial foundation for these contributions. Students in our roundtable consistently identified peer mentoring schemes as vital connectors, particularly programmes that pair international students with others who understand navigation challenges in unfamiliar environments. These initiatives address fundamental knowledge gaps that prove essential for enabling students to reach their full potential and contribute meaningfully to their academic communities. Some schemes, like the University of Bangor offer events and activities to build connections led by peer mentors. The University of York has a more one to one approach with their 'buddy' scheme. Some, like Manchester Metropolitan University, are broader, bringing entrepreneurs, community members, members of professional bodies and alumni into the scheme, supporting all students including international students. Connections with employers are important, and many models facilitate employment as we will discuss below. Some, however, were collaborations to help make connections and bridge the gap between international students and the business community.

The University of Stirling collaborated with partners from across the Forth Valley region including two local councils, on their International Talent Symposium. Funded through a UKCISA We Are International grant, the symposium was designed to give students insight and access to business connections across the region, and to showcase to employers the wealth of international talent on their doorstep. The collaboration was unique in that it focused on the unique skills and perspectives international students could bring to employers with the aim of boosting economic growth, and was delivered through collaborative workshops, which were recorded and retained as resources from the event. Video case studies were also developed to showcase the impact of international students in regional employers to all involved <sup>(49)</sup>.

Students describe encountering institutions requiring significant adaptation of systems created primarily for domestic students and significant opportunities for enhanced collaboration that remain underutilised. They express enthusiasm for community engagement beyond university settings, suggesting expanded town-gown style events

and better recognition of volunteering efforts. However, they note that institutions could do more to proactively build the social capital necessary for sustainable growth. They feel the more common reactive approach misses opportunities to showcase international students' contributions while building lasting regional connections that could transform public perceptions.

### **Collaboration for skills, employment and growth**

Regional collaboration hubs offer scalable solutions for maximising international students' impact. Devolved or regional governments could establish collaborative hub-based approaches bringing together schools, colleges, and universities to address specific local needs. Driven by local industry and export ambitions, these hubs could direct international students' efforts where they can make the greatest regional impact – from supporting local companies' exports to home countries to offering global perspectives on local challenges. These initiatives would demystify international students' working rights for employers while highlighting their potential contributions to regional economic development.

### **Collaborations to manage local impact**

More projects that connect regional governments, local councils and universities, colleges and schools are vital to ensuring that the needs of the community and of students are both met. As mentioned above, the collaboration by the four universities in Edinburgh to understand accommodation pressures, is a tool to support planning.

#### **CASE STUDY**

##### **University of Exeter's Devon DEI partnership**

Community integration partnerships represent another crucial collaboration dimension. The University of Exeter's Devon DEI partnership attempted to provide employer training on supporting international students, addressing discrimination and visa restrictions. While facing challenges with employer capacity, it illustrated the collaborative thinking necessary for creating integrated support systems. Students consistently emphasise that better communication between universities, local authorities, and employers remains essential for comprehensive support services enabling full regional integration.

Liverpool John Moores University has created a toolkit for universities to use to understand their international student housing needs and support students to navigate the system, a process that will undoubtedly deliver information that can be shared with local services and community actors addressing accommodation needs <sup>(51)</sup>.

At Teesside University, strategic collaboration extends beyond campus boundaries through partnerships with regional stakeholders including local mayors, councils, and industry. These collaborations ensure international students are welcomed, supported, and empowered to contribute meaningfully to the Tees Valley through town planning coordination, industry partnerships, and third-sector organisation engagement. Staff from Middlesbrough Borough Council are part of on-campus community sessions to explore key issues and ensure information is exchanged between students, the university and the community. The University also plays a role in developing incubators and business opportunities and has shared case studies with the inquiry on the role their international students play in supporting business and community locally. Teesside University contributed to a report by the Institute for Economic Development released during the drafting of this report, which offers an innovative approach to combining collaborations for business and growth, with local impact. The report highlighted Teesside University's role in producing accessible and actionable insights for policymakers and developing the capacity and capability of both policymakers and academics to collaborate to better understand local impacts. The report demonstrated that there is opportunity to grow these initiatives to better understand the local impact of all students, including international <sup>(35)</sup>.

These collaborations demonstrate the breadth of activity that brings together students, community, local government, businesses and education institutions, to support their regions.

More narrow collaborations, while they had impact for those involved, had limited reach unless they were part of a wider framework. Strategic approaches to these collaborations, which involve more than one college, university or school, or who connected to the local community or national groups like UKCISA, were able to broaden their reach and create longer lasting impact. Their efforts were also more visible locally which in turn allowed the outputs from these collaborations to be supported by more partners. Where possible, schools, colleges and universities with international students should collaborate more widely in the activity they undertake for international students. Those with broader frameworks like civic agreements should seek to engage more international students and global connectors, sharing the outcomes of this engagement as part of their annual reports. These foundational activities deserve a place in regional strategies, greater support across the region, and recognition for what they achieve.

## **4. To meet the needs of regional employers, the Graduate Route visa should remain unchanged.**

Evidence to this inquiry explored the economic and skills-based contributions of international students to regional economies, including regional employer and student perceptions of the Graduate Route visa. Students and employers across regions told us how a two-year route was often too short to meet their needs especially if students take time to find the right role for them. Research of employer perspectives noted that the length of the visa does not balance with the costs of recruitment. Most employers did not want to spend money recruiting twice in the span of two years <sup>(9)</sup>. Employers told researchers they wanted to invest in their hires, to have the most impact for their business. Most employers do not have a sponsor licence for a Skilled Worker visa to keep students on, and view the process as costly, bureaucratic and complicated.

Research showed this was more prominent in SMEs and in businesses outside of London.

The evidence from students and employers demonstrated the importance of the Graduate visa, especially for regions outside of London and the South-East and the devolved nations. With less employers willing or able to take graduates onto Skilled Worker visas, any initiatives regionally to support the positive impact of international graduates will have to primarily use the Graduate visa. An analysis of Skilled Worker sponsors shows Cumbria, Cheshire & Warrington and Norfolk & Suffolk, three of the six regions who will elect a new Mayor in 2026, each have less than 1% of business on the register to sponsor workers<sup>(9)</sup>. The new Norfolk and Suffolk devolved region has four universities and colleges<sup>(52)</sup> who could collaborate on programmes supporting post study employment for international students that would benefit that region. To ensure that regional international education strategies across all of the UK can realise the potential of international graduates just after they study, the Graduate visa needs to be seen as reliable and stable.

### **Two years is needed to create programmes which link business and students for long-term economic connections**

The previous post-study work visa which ended in 2012 was supported by collaborative programmes to maximise the inherent skills of some international students in areas like languages, business models within their home country, and cultural understanding. In Sheffield, the China-Britain Business Scheme paired international students with local business looking to export to China. To engage employers in such a scheme now, our expert roundtable said, would require certainty in the two-year-length of the visa. Universities were willing to collaborate locally to achieve such models but did not feel employers would be willing to invest if they would lose the graduate so quickly after hiring them.

Recognising these extended professional pathways, the Graduate Route plays a vital role in enabling international graduates to remain in the UK and contribute meaningfully to the workforce. The Graduate Route is a cornerstone of the UK's competitive advantage in the global education market. Yet, recent policy uncertainty threatens to erode this edge. Despite the Migration Advisory Committee finding no significant abuse of the Graduate Route and warning against further restrictions, the dependants limitation introduced in 2024 has already caused significant damage to international student recruitment in an increasingly competitive global market<sup>(53)</sup>. International students contribute a net £100,000 to the UK economy during their studies – effectively purchasing a £30,000 "entry ticket" for access to the Graduate Route<sup>(54)</sup>. Further curtailing this pathway would be a strategic misstep with economically destructive consequences.

### **Regions without high employer sponsorship need a two-year visa to remain competitive**

The UK faces intensifying global competition for international talent across multiple dimensions. The UK's current offer of 2 years with work limitations and no growth target is already less generous than key competitors, making any reduction particularly damaging for UK competitiveness. One particularly burdensome restriction is the 20-hour weekly work limit for international students which creates genuine hardship across all regions. Working while study is changing for all students and it is raising the hours most employers want students to work with students describing the limit as a source of

significant financial stress that prevents access to valuable internship opportunities requiring 25 hours per week <sup>(34)</sup>. One Edinburgh student candidly shared that they 'sometimes could not afford to eat' due to the combination of high living costs and restricted work hours <sup>(34)</sup>. Regions should be empowered to support student employability across the student lifecycle, linking work during study to greater impact as a graduate.

Several of the UK's key competitors in the global education market have adopted strategic approaches that highlight the benefits of encouraging international students to remain in specific regions after graduation. Australia, for instance, offers extended post-study work rights based on a regional classification system. International graduates who studied in Category 2 areas – defined as 'Cities and Major Regional Centres' – receive an additional year on their Graduate visa. Those who studied in Category 3 areas – 'Regional Centres and Other Regional Areas' – are granted two extra years.

This tiered policy acknowledges the greater challenges and opportunities associated with living and working in regional zones. It not only incentivises students to pursue education outside metropolitan hubs but also recognises that graduates in these areas may need more time and support to embed themselves professionally and contribute meaningfully to local economies. Through such targeted frameworks, countries like Australia demonstrate how immigration policy can serve as a catalyst for regional development and a remedy for localised skills shortages – transforming the visa system from a restrictive mechanism into a strategic enabler.

### International Comparison of Post-Study Work Rights and Student Recruitment Policies

Country	Post-Study Work Duration	Work Rights & Restrictions During Study	Student Recruitment Target	Key Advantages Over UK
<b>Australia</b>	2-4 years (degree dependent)	48 hours per fortnight, unlimited during breaks	270,000 for 2025	Longer post-study work duration
<b>Canada</b>	Up to 3 years with pathways to permanent residency	24 hours per week, full-time during breaks	437,000 for 2025	Longer post-study work duration, clearer immigration pathway
<b>Germany</b>	18 months	20 hours per week, full-time during holidays	No official cap	No arbitrary student recruitment cap
<b>UK</b>	2 years ( <b>proposed reduction to 18 months in 2025</b> )	20 hours per week, full-time during holidays	No official target	Baseline comparison - <b>proposed reductions widen competitive gap</b>

Sources: Australian Department of Home Affairs (2024); Immigration, Refugees and Citizenship Canada (2024); German Federal Office for Migration and Refugees (2024); UK Home Office Immigration Rules (2024). Compiled from official government immigration policy documents.

The Graduate Route enables regional talent retention essential for levelling up and addressing geographical disparities in skills and economic development. Research of over 6,000 respondents found that 53% of international students intend to stay and work in the UK after graduation, with 64% indicating they would change destination if work opportunities were restricted, whilst 38% said they would switch from the UK to

another destination for longer work opportunities <sup>(31)</sup>. This evidence demonstrates that the Graduate Route represents a critical factor in destination choice that directly impacts the individual regions' ability to attract international talent. Reducing the Graduate Route places some regions at a disadvantage recruiting international students and convincing them to stay as graduates.

A minimum period of two years is widely recognised as essential for many professional accreditations that are offered as part of degree qualifications. In architecture, for instance, graduates must complete a minimum of a two-year qualifying period to attain chartered status. Comparable timelines or accumulated hours are standard across engineering, healthcare, law and other regulated professions <sup>(26)</sup>. Where regions prioritise these skills, it may be more difficult to recruit international students to programmes if they are unable to complete the professional accreditation at employers in the area. Experts at our roundtable suggested government may view the Skilled Worker visa as an appropriate route for these professions. This would result in considerable regional disparity given the current low numbers of sponsors within regions outside London and the South-East.

The inquiry heard that structural barriers within the Skilled Worker visa route disproportionately affect certain professional sectors including the creative industries, a priority area in the government's industrial strategy. Industries who operate through the gig economy such as film & television, games, publishing, software development and construction, rely on unsponsored routes such as the Graduate visa to engage international employees. The flexibility of the Graduate Route mitigates the challenges of the Skilled Worker route for these industries, supporting workforce needs, the professional growth of graduates and creates long-term connections between these industries in the UK and their global equivalents when graduates return home. For regions where these are priority industries, relying heavily on the Skilled Worker visa for international graduates will be a barrier to the growth they can help create.

The UK must preserve the Graduate Route and allow regions to promote it as a way to drive growth and meet skills needs. A clear, sustained commitment would restore institutional confidence, rebuild recruitment pipelines, and maintain the UK's position in a fiercely competitive global market. Any reduction would be a strategic error undermining competitiveness and disregarding the economic and professional value international graduates bring to UK regions and communities.

## **5. Skills England should create a clear strategy to revive international education below degree level to boost funding for providers meeting regional skills needs and support regional growth.**

Our inquiry identified that the full range of positive impacts brought by international students was not balanced across the UK. While the evidence showed that there were financial benefits from international students from higher education in every constituency <sup>(3)</sup>, more local benefits brought by international students studying in the local area were more focused in urban centres. Research submitted by further education colleges <sup>(13)</sup>, independent schools <sup>(13)(17)</sup> and English-language schools <sup>(12)</sup> showed a much wider geographic spread of potential. Further Education colleges and specialist

higher education providers in-particular noted the potential to boost much needed local skills through growth in international students across short and long-term study. The evidence strongly supported the need for a strategy to revive international education below degree level by backing colleges and other education providers delivering local skills across our regions.

Further education colleges and specialist higher education providers are natural allies to regional approaches to skills development. Colleges occupy a trusted position for domestic students and have strong links to industry. Evidence from these groups demonstrates that supporting their growth can lead to much greater economic growth. The position of FE Colleges as a skills facilitator and a strong community education, was recognised by the Scottish Government in their international education strategy <sup>(55)</sup> from 2024. Colleges Scotland was a core partner to the development of that strategy and the government included a collaborative approach to "develop and agree a vision and set of actions for continued promotion of our universities and colleges globally which aligns with Scotland's commitment to the United Nations Sustainable Goals and our National Performance Framework on Education and International Partnerships."

Recent research from IDP's Emerging Futures 7 survey of over 6,000 international students provides compelling evidence for maintaining the Graduate route. The study found that 88% of students intending to study in the UK said the ability to apply for post-study work visas has a 'strong' or 'some' influence on their destination choice—the highest influencing factor of any policy consideration. The competitive threat is quantifiable: 38% of prospective students would switch from the UK to another destination if longer post-study work rights were available elsewhere, while 53% of current students intend to stay and work in the UK after graduation. This data, collected from students across 106 countries between February and March 2025, reveals the direct link between Graduate route availability and regional retention potential. With 64% of students willing to change their preferred study destination for better post-study work opportunities, and the UK's global ranking having declined by 1% year-on-year while competitor Australia gained 5%, the Graduate route emerges as a critical policy lever for regional competitiveness in international student recruitment and retention <sup>(56)</sup>.

Evidence from the Association of Colleges (AoC) <sup>(13)</sup> demonstrated that current and historic immigration restrictions, targeting courses below degree-level and increasing the role of education providers as immigration compliance actors, caused a 70% decline in FE international students with little recovery <sup>(13)</sup>, distorting the education sectors regional dynamics and undermining the diversity of the UK's education offer. The AoC's annual survey <sup>(13)</sup> showed colleges had very limited international student numbers: "Of the 44 colleges who reported engaging with international work, 66% hold a student sponsor licence of which 82% issue fewer than 50 CAS per year." The artificial hierarchies which came out of these changes contradict the UK's competitive advantage in offering diverse educational pathways whilst preventing smaller providers from contributing effectively to regional economic development and skills shortage resolution. AoC noted that funding factors inherent in this hierarchy of providers constrain the international potential in colleges, but the potential for growth is certainly there.

The challenge for FE Colleges in making the case for international students within the skills offer is that data on these students is rarely collected or disaggregated in Home Office statistics, making it impossible to understand progression pathways for students below degree level. This represents a significant gap in understanding how international

students contribute to addressing skills shortages below degree level whilst missing opportunities to develop systematic approaches that could benefit regional economies and communities. Without clear data on student outcomes and flexible post-study work pathways, many international graduates from below degree-level programmes are unable to transition directly into roles matching their qualifications on the skills shortage list, despite having gained relevant UK credentials that address local labour market needs.

The new Skills England strategy should include a specific international education approach, which can be supported through regional international education strategies. The benefits are significant for colleges, government and communities. As this report has already articulated, international students bring much needed funding and support for education providers delivering programmes to domestic students. Universities offering degrees have received this benefit, but qualifications below degree-level have suffered significant decline since changes to the immigration system in 2008. At a time when government spending is being reduced, strategies which deliver alternative funding to our further education and skills sector must be considered seriously. Crucially, Skills England should facilitate flexible post-study work pathways that allow international students completing RQF Level 3-5 qualifications to transition seamlessly into skills shortage occupations below degree level, ensuring that UK-trained talent can immediately contribute to addressing regional labour market gaps rather than being lost to competitor countries with more adaptable immigration systems.

## **5a. Skills England should lead a UK-wide taskforce to improve the student visa offer for high-demand skill areas, where they align with regional skills plans.**

Evidence from Independent Higher Education (IHE) showed a range of opportunities for promoting skills education, including specific visa conditions for approved Higher Technical Qualifications and other courses approved by Skills England which would allow courses with work placements to be open to international students <sup>(57)</sup>. IHE's proposals also made the case to reposition the UK "as a modern hub of educational expertise, with technical and professional training sitting comfortably alongside more academic pathways". Their proposals demonstrated that small changes to visa rules could boost skills education across short (less than 6 months) study and longer study up to and beyond 1 year.

The AoC provided evidence that immigration rules requiring 15 hours of classroom study were out of sync with modern higher technical education, preventing colleges from offering these courses to international students <sup>(13)</sup>. With changes coming to Ofsted's inspection framework and a fundamentally different regulatory environment for FE colleges offering higher education in England, Wales and Scotland, there is opportunity to review the limits placed on students in skills education over 15 years ago to modernise our approach as we are modernising skills education.

Recent Home Office data on sponsored study visa grants reveals concerning trends in female participation at higher academic levels. For courses at RQF level 6-8 starting in January 2025, female student visa grants declined from 45% in 2023 to 35% <sup>(58)</sup>. This

decline correlates with the introduction of dependent visa restrictions, suggesting that policies intended to manage migration numbers may be inadvertently creating gender imbalances that undermine both regional skills strategies and the UK's commitment to educational equality.

International education should be positioned as a strategic tool for addressing regional labour market challenges whilst providing international students with clear career development opportunities and communities with enhanced service capacity. Building on the Wales NHS model <sup>(28)</sup> outlined above, more strategic and locally delivered approaches can maximise mutual benefits whilst demonstrating international education's contribution to economic growth and domestic student experience. Our expert roundtable suggested that education could be one of the mechanisms government uses to support some Skilled Worker recruitment below degree level <sup>(57)</sup>. Where strategic skills priorities identified in regional growth plans can be paired with skills courses offered by local colleges and specialist education providers, a lower risk model to recruiting into these roles could be created. International students recruited onto courses in these strategically significant courses could be given access to a specially designed Skilled Worker visa. Students would contribute through study and then again through keeping their new skills in the region.

This inquiry identified many areas the existing visa system could support skills education with small changes, delivered in regional approaches. We identified Skills England as a key body in this but also noted the advances that devolved governments were making in this area, from Scotland's international education strategy <sup>(55)</sup> to Wales's approach <sup>(28)</sup> to filling skilled workforce gaps. We encourage this taskforce to bring together devolved governments and regions, alongside representatives from the to-be-formed Labour Market Evidence Group, and the Home Office, to review existing rules and look for new opportunities to support skills growth through international education.

# Conclusion

Seven years ago, our wide-ranging inquiry found that the UK's position as a leading global education destination was under threat. The UK Government responded with an International Education Strategy that was successful in returning the sector to growth and securing unprecedented revenue for the country from education related exports, but this progress has begun to falter. Our new inquiry takes a closer look at the situation today and reaffirms that international students remain a strategic asset for regional sustainability – even as shifting global trends and domestic policy changes present significant challenges.

The major economic contribution of international students is indisputable. They generate £41.9 billion annually for the UK economy and support 27 jobs for every £1 million of university income <sup>(4)</sup> – clear evidence of their vital role in both national and regional prosperity. Notably, the impact of this sector is geographically broad. Unlike many industries, the potential for growth is widely dispersed across the country, including in areas where economic expansion is typically more constrained.

The evidence received by this inquiry demonstrates that regions across the UK already recognise international students as a vital economic asset, but they lack the policy environment to capitalise on this understanding. From the Sheffield China Gateway Scheme to Scotland's integration of international education within broader economic strategies, regions are developing bespoke strategies that align with their unique economic priorities, infrastructure capacity, and growth ambitions. Empowering regions to set a strategy that works for them is vital for growth and represents a more effective approach than centralised control or blunt policy instruments like levies, which would function as a growth tax on one of the UK's most successful exports.

While this inquiry found limited substantive evidence of significant negative impacts from international students, we acknowledge that larger student populations without adequate planning can strain existing accommodation and infrastructure systems. This underscores the critical importance of improved data collection that enable universities, colleges, schools and regional authorities to collaborate effectively in supporting their areas whilst minimising pressure on housing and services. This collaboration requires access to timely and granular data about student numbers, distribution patterns and infrastructure demands that current systems fail to provide.

## **Stable National Framework, Regional Autonomy**

The overwhelming message from expert evidence and stakeholder submissions was that there are tremendous opportunities and benefits inherent in regional collaboration, but regions must be granted genuine authority to pursue the changes they envision. Policy uncertainty at the national level fundamentally undermines regional capacity to build sustainable international education strategies, with regional leaders, businesses, and educational institutions consistently reporting that the current system's instability – from changing visa rules to net migration target pressures – prevents the long-term coalition building necessary for meaningful growth initiatives. If government genuinely seeks to drive economic expansion through international education, it must create a stable

national policy framework whilst empowering regional strategies that allow localities to chart their own course towards prosperity.

Across the UK, innovative partnerships are already demonstrating how to unlock this potential yet recent policy changes risk undermining this progress. Restrictions introduced in January 2024 on student dependants have already affected application trends. Further proposed changes – such as reducing the Graduate visa from two years to 18 months – could significantly weaken the UK's global competitiveness <sup>(57)</sup>.

To protect and enhance the UK's position, we need forward-looking, evidence-based policy. International students must be recognised not only as learners, but as long-term contributors to regional growth and national success. This means safeguarding the two-year Graduate Route, improving data collection to inform smarter decision-making, fostering regional collaboration, and acknowledging the broader societal value international students bring.

The recommendations in this report offer a coordinated path forward – aligning government, education providers, and regional institutions to ensure the UK remains a world leader in international education. The choice is clear: coordinate regionally to compete globally or continue fragmenting our world-leading education sector through policy drift and missed opportunities. Implementation must begin immediately to prevent further economic damage and restore the UK's competitive position amongst aspiring international students.

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# Annex B – Roundtable

## Participants

Student Roundtable	Expert Roundtable
<p><b>Universities Represented:</b>            University of Aberdeen            University of Cambridge            University of Edinburgh            University of Exeter            King's College London            University of Liverpool            London School of Economics            University of Oxford            Queen Mary University of London            University of Sheffield            University College London            University of Warwick            University of York</p>	<p>Association of Colleges            British Future            British Universities International Liaison Association (BUILA)            IDP            Independent Higher Education            Independent Schools Council            Independent Schools Council            Kaplan International            LEARN, the Embassy education network            London Higher            Public First            Study Group            Teesside University            UKCISA</p>
<p><b>Student Country Origins:</b>            Bangladesh            Canada            China            France            India            Malaysia            Pakistan            Uganda            United States of America</p>	<p>Universities UK International</p>