MAC call for evidence on the impacts of international students in the UK

Submission from the Greater London Authority

January 2018

Overview

In October 2017, the Migration Advisory Committee (MAC) called for evidence on the impact of internationals students in the UK. The Mayor of London recognises the significant economic and social contribution international students make to London – both from EU and non-EU countries – and welcomes the opportunity to respond to the Committee's call for evidence.

The London Context

London is an international city with a long history shaped by globalisation: it already has some of the world's leading universities and a diverse mix of higher and further education institutions. These range from traditional universities through to specialist colleges and schools and national research centres. These institutions attract talented students, lecturers and researchers from across the world, supplying businesses with a pool of highly skilled people and adding to London's success and appeal.[1]

There are over 40 higher education institutions in London, many of which have a strong international focus.[2] The quality of instruction is often seen as an important factor for international students when selecting their country of destination for study[3] and this is one of the main reasons for the popularity of London as a destination for study.[4] As Table 1 shows, the capital's education institutions feature prominently in global rankings.[5] According to data from the Higher Education Statistics Authority (HESA), there were 112,205 overseas students studying in London in 2016/17, accounting for 29 per cent of students in the capital and almost a quarter (24 per cent) of international students studying in the UK.

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[1] The strength of the capital's economy also generates significant revenues for public finances and supports economic activity in the rest of the UK. For more detail, see: GLA (2017) MAC Call for Evidence on EEA workers in the UK labour market

[2] Note: satellite campuses of other UK institutions are not included in the calculations. Similarly, private universities and higher education colleges have also been excluded from the analysis. A complete list of the 40 institutions considered can be found in Appendix 1. Due to availability of data the focus of this submission is largely on higher education.

[3] OECD (2017) Education at a Glance 2017

[4] Along with, for example, English speaking education and London's status as a social and cultural centre). See: London First & PwC (2015) London Calling: International students' contribution to Britain's economic growth

[5] London also has a number specialist HEIs which are internationally recognised – e.g. Royal College of Music and the Royal Academy of Music are ranked 2nd and 3rd in the world for Performing Arts and the Royal Veterinary College 3rd for Veterinary Science (QS World University Rankings 2017 by Subject).

Table 1: Number of universities based in London within the top 100 globally

Publication	Number in Top 100
Academic Ranking of World Universities[6]	3
Times Higher Education World University Rankings[7]	4
QS World University Rankings[8]	4
Times Higher Education World Reputation Rankings[9]	4
The Economist Full-time MBA ranking[10]	3
FT Global MBA Ranking[11]	3

Various, see footnotes

The economic and non-economic benefits of international students can be large, both at a national and institutional level (as well as for individuals). International students are, for example, a considerable source of export earnings for the UK, directly contributing around £3.4 billion to the UK economy in the 2016/17 academic year – or £30,700 per non-UK domiciled student.[12] Their value is also to London's wider reputation as a place for innovation, research and connectedness – contributing to the capital's position as a leading European city for access to human capital and openness.[13] By comparison the public costs of hosting students are relatively small (estimated at £8,009 per non-EU student in 2013/14[14], roughly £8,400 in 2016/17 prices) and the net economic impact of international students to the UK and London economy is thus likely to be positive.[15]

At the same time, the competition for international students is becoming increasingly intense and global.[16] After the United States, the UK is the second most common destination for mobile students in the OECD.[17] However, patterns of student migration to the UK have changed considerably over the last decade: in particular, operational and policy changes made to UK immigration rules since 2010 have contributed to a significant fall in immigration for study, with much of this decrease concentrated in the Further Education sector.[18] However, as Table 2 illustrates, the UK's population of international HE students is also growing at a slower rate than in other large countries.[19] Several countries show a decline in sending students to the UK in recent years.[20]

[6] Academic Ranking of World Universities 2017
[7] Times Higher Education World University Rankings 2018
[8] QS World University Rankings 2018
[9] Times Higher Education World Reputation Rankings 2017
[10] The Economist full-time MBA ranking 2017
[11] Financial Times Global MBA Ranking 2017
[12] London & Partners (2018) The Economic Impact of London's International Students in London (report forthcoming)
[13] European Commission (2017) The Cultural and Creative Cities Monitor 2017
[14] London First & PwC (2015) London Calling: International students' contribution to Britain's economic growth
[15] Also see: London Economics (2018) The costs and benefits of international students by parliamentary constituency Report for the Higher Education Policy Institute and Kaplan International Pathways
[16] The number of foreign students engaged in tertiary education programmes worldwide surged in recent decades, rising from 0.8 million to 4.6 million between 1975 and 2015. Source: OECD (2017) Education at a Glance 2017
[17] OECD (2017) Education at a Glance 2017 – at a city level, London has the highest number of international students – above New York, its closest competitor.
[18] ONS (2017) What's happening with international student migration?
[19] University of Oxford (2017) International Trends in Higher Education 2016–17 / Prazeres, L., Findlay, A. (2017) An audit of international student mobility to the UK. ESRC Centre for Population Change.
[20] Prazeres, L., Findlay, A. (2017) An audit of international student mobility to the UK. ESRC Centre for Population Change.

Table 2: Trends in international HE students enrolled in selected countries (000s), 2010-2015

Country	2010	2011	2012	2013	2014	2015	Change, %	
							2010-2015	2013-2015
Australia	271	263	250	250	266	294	9%	18%
Canada	96	106	121	151	164	172	79%	13%
Germany	181	177	185	197	211	229	26%	16%
United Kingdom	398	420	428	417	429	431	8%	3%
United States	685	710	740	784	829	907	32%	16%

Source: OECD Statistics. Notes: Data relate to international students defined on the basis of their country of residence. These data exclude students who are under short-term study and exchange programmes that last less than a full school year. Figures are presented in thousands.

Were the recent slowdown to continue, then the UK's position as the second ranked country of choice for international HE students may come under threat. The viability of subjects in which international students are disproportionately enrolled, including sciences, engineering and technology, could also be at risk.[21] Indeed, several competitor countries are actively developing policies aimed at becoming more attractive to overseas students: Germany has set a target to increase the number of foreign students in the country;[22] while, as Box 1 illustrates, other OECD countries are implementing policies aimed at simplifying immigration procedures and easing restrictions on short-term work permits to attract more international students. Evidence suggests that complex systems can deter students from entering a country.[23]

Box 1: Examples of recent immigration policy changes to attract international students

- Australia has announced the implementation of a simplified student visa framework as from 2016.
- Canada revised its International Student Program in 2014 and streamlined work permit access for international students enrolled in a Canadian institution so as to allow them to work part-time off campus.
- Korea has increased the number of weekly hours of employment allowed during study from 20 to 25 for international students who have been certified according to the International Education Quality Assurance system.

Source: OECD (2017) Education at a Glance 2017

The Mayor wants London to remain the world's leading city for learning, research and innovation. It will be critical that there are clear and accessible routes for international academic and technical staff to come and work in the capital (from the EU and further afield). After graduating, international students should have more options to apply for work here so they do not have to leave immediately after their course finishes. The Mayor believes the lack of dedicated post-study work routes damages the UK's reputation and limits the competitiveness of our universities. Post-Study Work (PSW) options are increasingly part of countries' 'offer' to international students. And, when they return home or work abroad, international students are the UK's ambassadors – an important soft power benefit. The Mayor wants the government to reintroduce a clear poststudy work visa route that can be part of the offer to prospective international students. The Mayor also believes that international students should not be included in the government's net migration target until they move into work or start a business after their studies.

[21] House of Lords Select Committee on Science and Technology (2012) Higher Education in Science, Technology, Engineering and Mathematics (STEM) subjects

[22] Federal Ministry of Education and Research (2016) Strategy of the Federal and Länder Ministers of Science for the Internationalization of the Higher Education Institutions in German

[23] OECD (2017) Education at a Glance 2017 / London First & PwC (2015) London Calling: International students' contribution to Britain's economic growth

Responses to the MAC's call for evidence

Having set out the context, the aim of this section is to review the evidence on the role of international students in London – those who come from the rest of the EU and outside of the EU. We have sought to provide a response to questions posed by the MAC where appropriate, and where we have access to relevant evidence and examples. Due to availability of data the focus is largely on higher education.

The rest of the report is set out as follows:

- The profile of international students studying in London
- International students' direct contribution to the London and UK economy
- The wider benefits from international students in London
- International students and labour market participation
- Impact on the demand for housing, transport and health provision

The profile of international students studying in London

The scale of international students in London underlines their importance to the capital's HE providers. Data from the Higher Education Statistics Authority (HESA) shows that there were 384,705 students studying at HE providers in the capital in 2016/17. Of these, 272,500 were from the UK and 112,205 were non-UK domiciled. Of the international student population, 36,745 or 33 per cent were from the rest of the EU and 75,460 or 67 per cent from non-EU countries.

Table 3: Number of students at London based HEIs, by country/area of domicile

Publication	UK	Other EU	Non-EU	Total
Undergraduate	194,795	21,255	35,905	251,965
Postgraduate	74,005	14,220	37,130	125,555
Other	3,700	1,270	2,425	7,185
Total	**272,500**	**36,745**	**75,460**	**384,705**

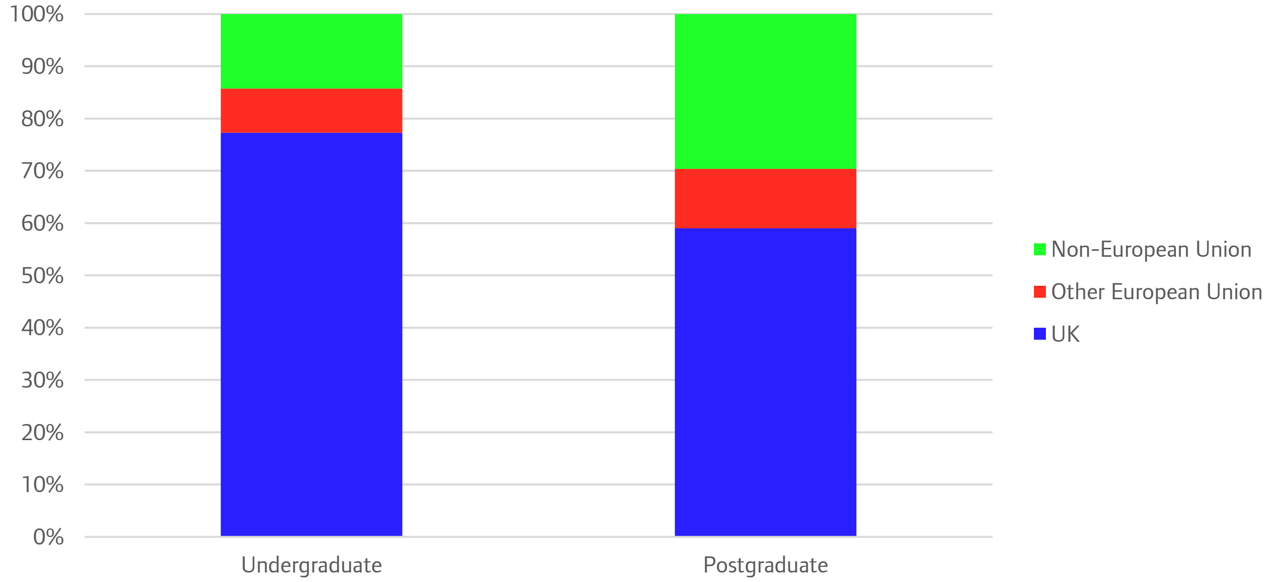
Source: HESA. 'Other' includes students who are writing up or on sabbatical.

As Table 3 shows, these students account for a significant share of London's student population. In total, 71 per cent of the students at London HE providers were from the UK in 2016/17, while 29 per cent of the student population were non-UK domiciled. Overall, the capital attracts 24 per cent of all international students in the UK compared to 14 per cent of UK-domiciled students.[24] Of the 20 largest recruiters of international students among HE providers in the UK, six are based in London.[25]

In-line with evidence from elsewhere[26], international students make a particularly strong contribution at postgraduate level in London. As Figure 1 shows, around 23 per cent of undergraduate students at London HE providers were non-UK domiciled in 2016/17 (8 per cent other EU; 14 per cent non-EU), rising to 41 per cent for students at postgraduate level (11 per cent other EU; 30 per cent non-EU).

[24] In addition, term-placements/exchange students – which are not otherwise counted in statistics – are another source of international student numbers in London.
[25] UKCISA (2017) International student statistics: UK higher education
[26] OECD (2017) Education at a Glance 2017

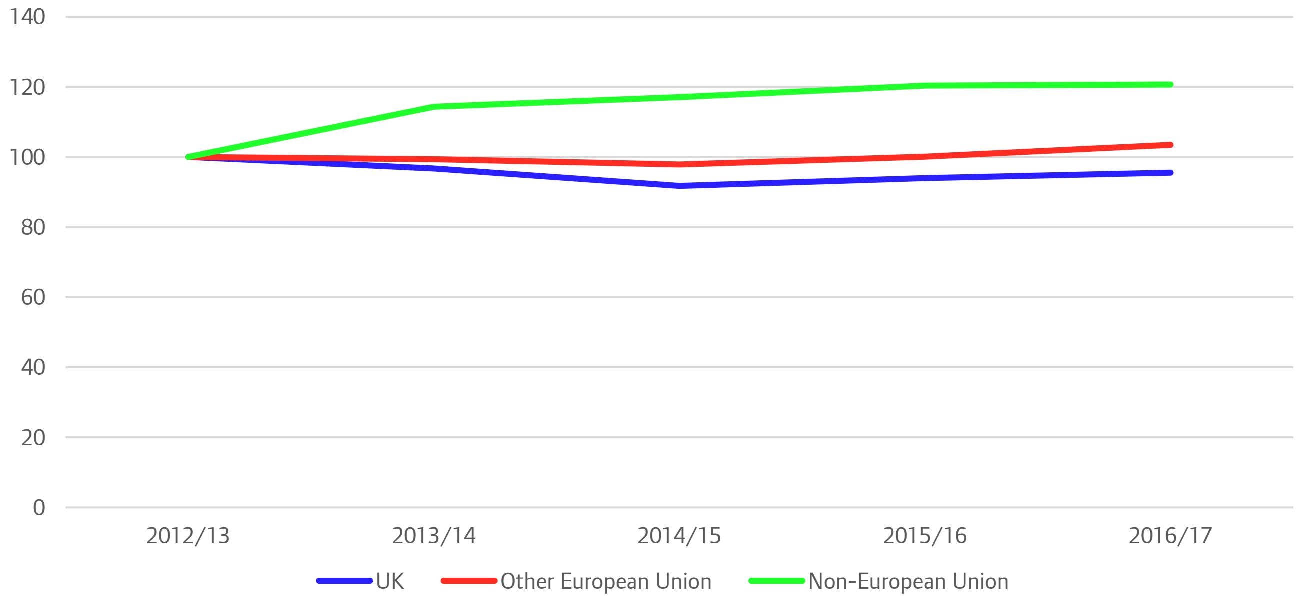
Figure 1: Percentage of HE students by level of study and country/area of domicile in London, undergraduate and postgraduate, 2016/17



Source: HESA

Over the last five years international students have helped to maintain overall student numbers at the capital's HE providers. Indeed, as Figure 2 shows, they have offset a decline in UK student numbers at London based HE providers since 2012/13. The number of UK-domiciled students has fallen by 12,800 or 4 per cent during this time; this compares to a 1,200 or 3 per cent increase in EU students and a 12,900 or 21 per cent increase in non-EU domiciled students. There is no evidence that the rise in international students enrolling in UK universities has crowded out domestic students[27]; conversely, demographic forces could make the contribution of international students even more important to HE sector in the years ahead.[28]

Figure 2: Number of HE students by country/area of domicile, London, 2012/13 – 2016/17

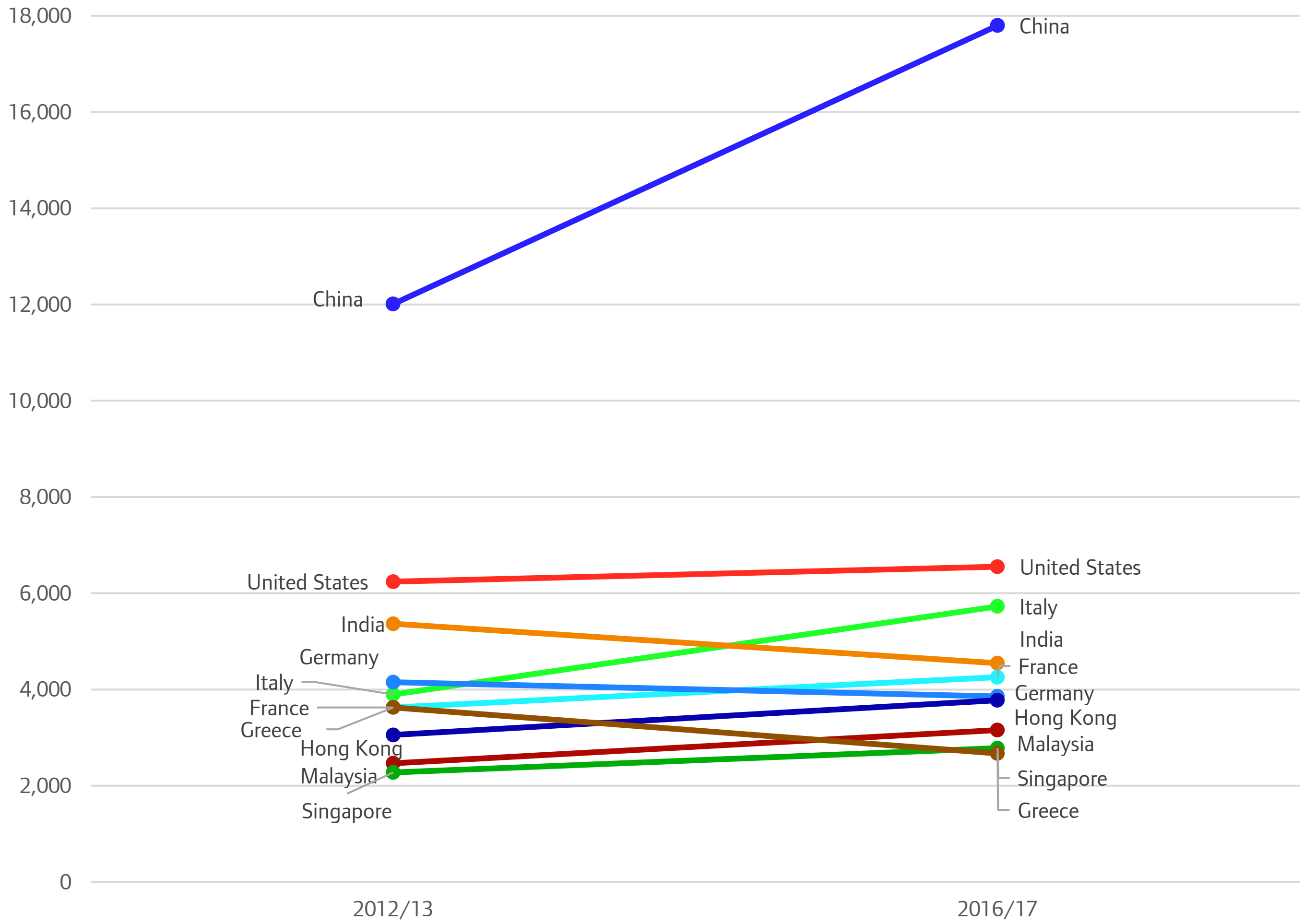


Source: HESA

[27] Machin, S., Murphy, R. (2014) Paying Out and Crowding Out? The Globalisation of Higher Education. CEP Discussion Paper No 1299
[28] Prazeres, L., Findlay, A. (2017) An audit of international student mobility to the UK. ESRC Centre for Population Change

A small number of countries continue to be important sources of international students coming to the UK. With 17,795 students studying at London HEIs in 2016/17, China is the leading international student source market for London and the fastest growing. Looking at the change since 2012/13 (Figure 3), Chinese student numbers have grown by around 5,785 or 48 per cent. The next largest increases in international students during this time were from Italy (+1,830 or 47 per cent) and Hong Kong (+720 or 24 per cent). Conversely, student numbers from other countries have declined during this time, including from India (-820 or -15 per cent), Greece (-955 or -26 per cent) and Germany (-295 or –7 per cent). The number of students from the United States, the country with the second largest number of non-UK students in the London, has remained steady during this period (+310 or 5 per cent).

Figure 3: Top 10 Countries of domicile (excluding UK) in London for 2016/17, for HE enrolments in 2012/13 and 2016/17



Source: HESA

International students' direct contribution to the London and UK economy

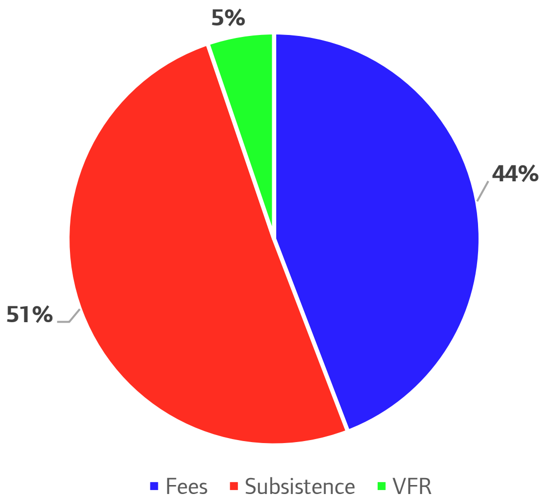
Analysis carried out by London & Partners estimates that international students studying at London HE providers directly contributed around £3.448 billion to the UK economy in 2016/17.[29] This was up from £2.990 billion reported for the 2013/14 academic year[30] – an 11 per cent increase in real terms. In keeping with previous analyses, there are three main channels reviewed to calculate international students' direct economic impact:

[29] For a summary of the methodology used, see: London & Partners (2015) The Economic Impact of London's International Students
[30] London & Partners (2015) The Economic Impact of London's International Students

- **Fee income** paid directly to HE providers
- **Subsistence spending** of international students whilst studying (e.g. rent, food, transport and leisure)
- **Expenditure of friends and relatives** who come to London to visit international students. This is known as VFR (Visiting Friends and Relatives)

In terms of the direct economic benefits, subsistence spending had the highest impact, making up £1.745 billion of international students' economic contribution. This is followed by the direct economic benefit from tuition fees at £1.523 billion. London's student population also promotes tourism activity from family and friends visiting people studying in the capital; London & Partners estimate that this was worth £180 million in 2016/17. Figure 4 shows the relative contribution of each channel in 2016/17.

Figure 4: Share of overall expenditure by spending channel, 2016/17, London



Source: London & Partners

International students also make an important contribution to economic output and employment in London. According to Oxford Economics, universities have a greater impact on the capital's labour market than in other regions of the UK, accounting for 1.7 per cent of employment in 2014/15.[31] Based on assumptions about the impact of international students' expenditure by sector, London & Partners estimate the total direct GVA impact of international students on the UK economy to be around £1.8 billion in 2016/17.[32] Using the same assumptions about sector benefits suggests that almost 39,800 jobs are supported by international students in London.[33] Table 4 shows spend allocation across fees, subsistence and spend generated by friends and relatives visiting, and its conversion into GVA and jobs supported.

Table 4: Gross Value Added and jobs supported by channel

Publication	Total Expenditure, £M	Gross Value Added (GVA), £M	Jobs Supported
Fee Income	£1,523	£913	21,129
Subsistence	£1,745	£794	16,470
Family and Friends Visits	£180	£96	2,197
Total	**£3,448**	**£1,803**	**39,796**

Source: London & Partners analysis

[31] Oxford Economics (2017) The economic impact of UK universities, 2014-15

[32] In other studies, the indirect and induced economic impact of students spending is estimated. This looks solely at direct economic impact, i.e. excluding any multiplier effect.

[33] London & Partners (2018) The Economic Impact of London's International Students (forthcoming)

Table 5 breaks down the GVA and jobs contribution broken by London's top ten international student markets (in 2016/17). Looking at the GVA contribution by country, China and US are the biggest contributors, followed by Italy and India.

Table 5: Gross Value Added and jobs supported by country of origin (top 10 markets)

Domicile	Number of students	Total Expenditure (£M)	GVA (£M)	Jobs Supported
China	17,795	£598	£317	7,035
United States	6,550	£240	£128	2,836
Italy	5,725	£137	£69	1,503
India	4,545	£137	£72	1,582
France	4,255	£121	£63	1,377
Germany	3,855	£96	£48	1,049
Hong Kong	3,775	£129	£69	1,522
Malaysia	3,155	£107	£57	1,261
Singapore	2,780	£101	£54	1,199
Greece	2,670	£63	£32	687

Source: London & Partners analysis

The wider benefits from international students in London

The potential for indirect or less tangible benefits

International students bring a number of indirect or less tangible benefits to London and the wider UK. A number of London's HEIs have well established reputations as world leading HE providers, capable of attracting a diverse base of highly educated international students. Although there is limited quantitative evidence on the institutional and reputational value associated with the presence of international students, the literature provides a number of examples of ways through which the education system can benefit.

These include positive impacts arising from graduate students' contribution to research in the UK[34] and benefits from the development of international research collaborations.[35] For example, over 51 per cent of UK research articles were co-authored with at least one non-UK researcher in 2014 – and research shows a strong link between field-weighted citation impact and international collaboration, which itself is linked to greater researcher mobility.[36] By enhancing competition between HEIs and enabling them to specialise, openness to international students may also lead to an improved educational offering for domestic students.

There are also benefits which can accrue to domestic students.[37] For example, previous research by GLA Economics found that universities' fee income from non-EU students helps to keep costs down for home/EU students.[38] This is supported by a 2014 paper produced by the Centre for Economic Performance, which finds no evidence that the increase in international students enrolling in UK universities had crowded out domestic students.[39] On the contrary, this report finds evidence of international students crowding in domestic students at postgraduate level and raising the level of funding per student at undergraduate level.

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[34] Migration Observatory (2017) Non-EU Higher Education Students: Impact on the UK Economy
[35] Opinion Leaver (2017) The role of international collaboration and mobility in research
[36] Department for Business, Energy & Industrial Strategy (2017) International Comparative performance of the UK research base 2016. A report prepared by Elsevier for the UK's Department for Business, Energy & Industrial Strategy (BEIS)
[37] Department for Business, Innovation & Skills (2013) The Wider Benefits of International Higher Education in the UK
[38] GLA Economics, *'The potential impact of a Tier 4 immigration cap on UK and EU-domiciled student fees'*, 2011, available at: https://www.london.gov.uk/priorities/business-economy/publications/gla-economics/the-potential-impact-of-a-tier-4-immigration-cap-on-uk-and-eu
[39] Machin, S., Murphy, R. (2014) Paying Out and Crowding Out? The Globalisation of Higher Education. CEP Discussion Paper No 1299

In addition, HE students also seem to value the experience of studying alongside international students. In a recent survey undertaken by the Higher Education Policy Institute, 77 per cent of UK students felt that studying with international students made them more aware of cultural sensitivities, 76 per cent of students felt that it gives them a better world view, and 63 per cent of students felt that it helped them to develop a global network.[40] Very few students felt that it had a negative impact of the quality of academic discussions. These results are similar to a survey of HE students undertaken by the National Union of Students in 2016.[41]

Finally, international students can also stimulate demand for courses where domestic demand alone may be insufficient to sustain them, thus ensuring that a wider range of courses are available for all students. For example, across the UK's HE providers in 2015/16, subject areas with a high proportion of international students included Engineering & technology (33 per cent), Law (26 per cent), Architecture, building & planning (26 per cent) and Mathematical sciences (22 per cent).[42,43] With a shortage of STEM graduates a key issue in the UK's industrial strategy[44], international student recruitment has a particularly important role in sustaining these subject areas.[45] For example, a 2012 House of Lords Science and Technology Committee report concluded that a reduction in the number of overseas students coming to study to the UK "may result in a general reduction of provision of STEM courses that rely on this income to make them viable".[46]

The potential for economic gains from promotion of international links

There is a tendency for evaluations and impact assessments of the benefits of international students to focus on the more readily measurable contribution of fees and expenditure. However, a positive experience living, studying and working in London generates considerable soft power for the UK, which can help to promote overseas business, research and diplomatic links.

- According to a Lords Select Committee on Soft Power and the UK's Influence, the country's HE sector represents one of its "strongest cultural assets" which "creates support for the UK and its products, culture and language".[47]
- A strong international student base, and alumni network, can help HEIs to attract overseas investment due to the ties established. The Department for Business, Innovation & Skills (now BEIS) previously estimated income from overseas donations to be worth £34.5 million in 2008/09.[48]
- There is also evidence that the presence of migrants has a positive impact on wider inward investment decisions.[49] According to a survey conducted by London First & PwC, 60 per cent of international students in London (including alumni) said they were more likely to do business with the UK as a result of studying here.[50]

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[40] Higher Education Policy Institute (2015) What do home students think of studying with international students? HEPI Report 76, July 2015
[41] NUS (2016) Student perspectives on international students
[42] HESA (2017) Introduction - Students 2015-16
[43] Around a third of OECD mobile students at all tertiary levels are enrolled in STEM fields of study. The preferences for STEM disciplines is even more pronounced at doctoral level. Source: OECD (2017) Education at a Glance 2017
[44] HM Government (2017) Industrial Strategy: Building a Britain fit for the future
[45] Department for Business, Innovation & Skills (2013) The Wider Benefits of International Higher Education in the UK
[46] House of Lords Select Committee on Science and Technology (2012) Higher Education in Science, Technology, Engineering and Mathematics (STEM) subjects
[47] Department for Business, Innovation & Skills (2013) The Wider Benefits of International Higher Education in the UK
[48] Department for Business, Innovation & Skills (2011) Estimating the Value to the UK of Education Exports
[49] Burchardi, K B, T Chaney and T A Hassan (2016) "Migrants, ancestors, and foreign investments", NBER, Working Paper 21847
[50] London First & PwC (2015) London Calling: International students' contribution to Britain's economic growth

International students and labour market participation

International students can also play an important role in the labour market whilst studying. According to the results of a London First and PWC survey of international students, almost a quarter (24 per cent) of international HE students in London worked while studying in 2013/14; a total of around 16,000 international students.[51] The results of the survey, which focused on non-EU students, are in-line with the 2017 Survey of Graduating International Students. This survey found that 28 per cent of UK international finalist students were working while studying – mainly in part-time job or casual work.[52]

The vast majority of those surveyed by London First/PwC – over 80 per cent – had a Tier 4 (General) student visa, so were typically able to only work for up to 20 hours per week during term-time.[53] By sector, the majority of students worked in the Education and cultural activities, Hospitality, hotels, catering and other services and Retail and related service industries. On average, they worked 11 hours per week during term time and 15 hours per week during holidays, earning around £7.80 per hour (given their earnings and hours, international students are unlikely to contribute significantly to the Exchequer via income tax or national insurance contributions).[54]

In addition, international students that leave academia, but stay and work in London can provide a pool of skilled labour for the capital. Evidence suggests that most of London's international students leave the UK post-study. For example, the survey undertaken by London First and PWC found that, at the start of their studies, around a quarter of international students in London intended to remain in the UK after finishing[55]; though based on responses from alumni the actual figure that stay may be lower. The analysis estimated that around 5,000 international students entered the UK labour market in 2014, equal to about 3 per cent of total students graduating from London HE institutions.[56]

There are, however, likely to be significant differences in labour market intentions for international students from different countries – particularly between EU and non-EU countries. To illustrate the point, the 2017 Survey of Graduating International Students found that only 24 per cent of non-EEA graduates intended to stay in the country to work after finishing their studies, compared to over half (53 per cent) of students from EU8 countries.[57] Moreover, London is the most attractive destination for international students planning to remain in the country from across the UK as a whole[58], so the capital's labour market may also benefit from access to international students who graduate from HEIs in other parts of the country.

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[51] London First & PwC (2015) London Calling: International students' contribution to Britain's economic growth

[52] CPC-ONS-UUK (2017) 2017 Survey of Graduating International Students

[53] Based on this survey, over 80 per cent of international students in London had a Tier 4 (General) student visa while studying and around 3 per cent had a variety of Tier 1 and 2 visas such as Entrepreneur, Exceptional Talent, Graduate Entrepreneur, Investor, Post Study Work or General Tier 1 and 2 visas. Source: London First & PwC (2015) London Calling: International students' contribution to Britain's economic growth

[54] International students that work while studying are expected to earn around £5,000 per year. Since this is below the personal tax allowance of £9,440 and below the Class 1 (contributions on salary) National Insurance threshold of £5,676, London First & PwC estimate that they will not contribute to the Exchequer via income tax or national insurance contributions. Source: London First & PwC (2015) London Calling: International students' contribution to Britain's economic growth

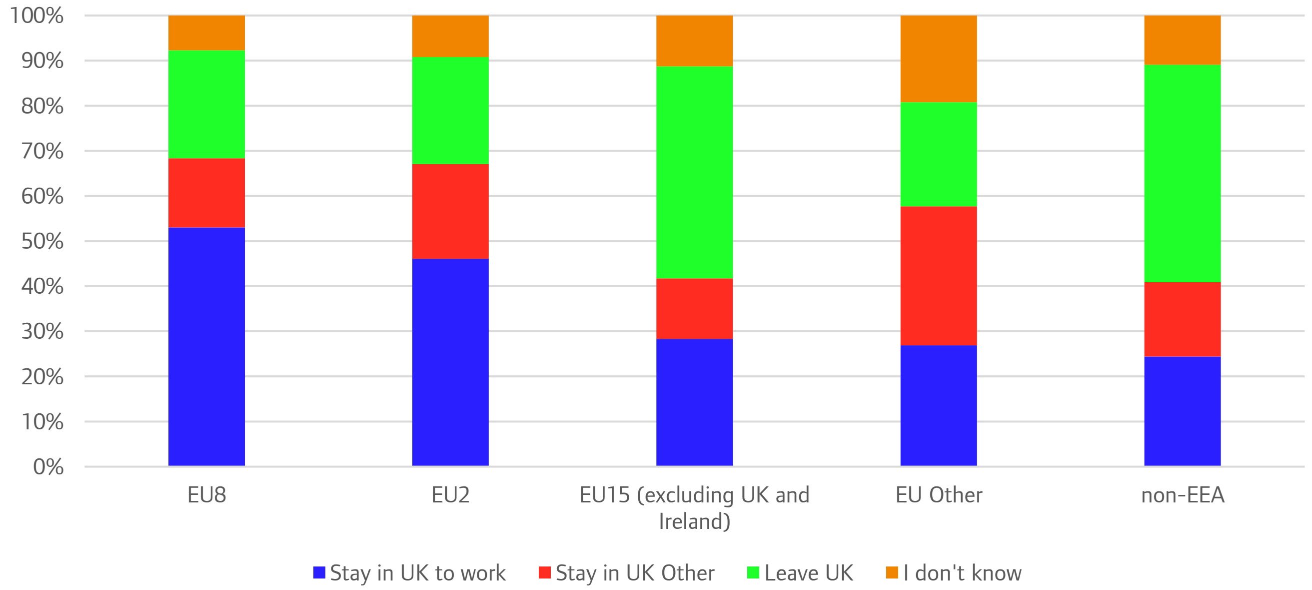
[55] By comparison, 33 per cent were undecided and 42 per cent did not plan to remain in the UK.

[56] London First & PwC (2015) London Calling: International students' contribution to Britain's economic growth

[57] ONS (2017) International student migration research update: August 2017

[58] CPC-ONS-UUK (2017) 2017 Survey of Graduating International Students

Figure 5: Post-study plans of international graduating students in the UK, 2017, UK



Source: Survey of Graduating International Students. Office for National Statistics and the Centre for Population Change. Note: Leave UK includes "travel in the UK & outside the UK". Figures presented are unweighted counts, and respondents whom were based outside of the UK or who were of UK nationality were removed from any tables and/or analysis.

Impact on the demand for housing, transport and health provision

Although the benefits can be large these need to be considered against the potential costs. Yet, taking into account demographic characteristics, the available evidence suggests that the demand placed on public services by international students is likely to be significantly lower than for other population groups.

For example, a 2013 study for the Home Office sought to assess the extent to which international students impose costs on the Exchequer and local communities. This research – based on discussions with local authorities and a series of online and expert panels – concluded that "legitimate international students… are likely to have low impacts on public services and social cohesion, making a lower demand on most services than an average UK resident".[59] The main findings are summarised in Table 6.

Table 6: Expert opinion on the costs of international students relative to other migrants

Cost category	The nature of the costs of international students relative to other migrants
Health & social services	- Less likely to access health services, reflecting the consensus in the academic literature. - Make fewer demands on social services.
Accommodation & housing	- Demand for low cost accommodation was seen as less of a burden on housing though the impact may be starker on the private rented sector in particular areas.
Crime & policing	- Less of a hindrance in reporting crime and less likely to incur interpretation costs. - The group least likely to be associated with tensions between communities.

Source: Home Office Research Report 72

While according to the National Institute of Economic and Social Research, in proportional terms, average demand per adult for education, health and personal social services was between 41 per cent and 49 per

[59] Poppleton, S., Hitchcock, K., Lymperopoulou, K., Simmons, J. and Gillespie R. (2013) Social and Public Service Impacts of International Migration at the Local Level, Home Office Research Report 72, July 2013.

cent lower for Tier 4 migrants than for non-migrants in 2011.[60] More recently, the Survey of Graduating International Students asked about the extent to which international students across the UK engage with public services.[61] When asked about their use of health services, only 8 per cent of final year international students had visited A&E in the past 12 months – the majority report their general health as very good (40 per cent) or good (41 per cent). In terms of housing, around half of final year international students lived in private rented accommodation (48 per cent), a quarter of lived in University accommodation (24 per cent), and one in eight lived in private student halls (12 per cent).

As a result, studies which analyse the net economic benefit to the London and UK economy – i.e. the difference between the short-term economic benefit and use of public services – find significant positive impacts associated with international students in London:

- London First and PWC estimate that, on average, each international student at London universities consumed public services costing £8,009 during the 2013/14 academic year. This suggests that total consumption of public services by non-EU students was worth around £540m per year.[62] Therefore, according to London First & PwC, the net short-term economic benefit of non-EU students in London was equal to around £2.3 billion in the 2013/14 academic year (or around £34,122 per non-EU student, on average).
- Other research carried out by London Economics for the Higher Education Policy Institute estimates that, across the UK, the cost to the Exchequer associated with a typical EU-domiciled student was £19,000 over the duration of their studies, and £7,000 for a non-EU student in the 2015/16 cohort.[63] By comparison, the total benefit per student was estimated at around £87,000 for an EU student in the 2015/16 cohort and £102,000 for each non-EU student. Thus, the total net economic impact generated by international students starting to study in London in the 2015/16 academic year was £4.6bn.[64]

[60] Average costs for Tier 4 migrants were substantially lower for all three categories: 35 per cent to 51 per cent lower for education; 41 per cent to 48 per cent lower for personal social services and 45 per cent to 48 per cent lower for health. Source: National Institute of Economic and Social Research (2011) Impact of migration on the consumption of education and children's services and the consumption of health services, social care and social services

[61] CPC-ONS-UUK (2017) 2017 Survey of Graduating International Students

[62] Note: this analysis does not account for public transport costs, given the very small share of total London commuters they make-up during peak times. The London First & PwC analysis finds that, on average, 41 per cent of London's international students use public transport during peak hours – a total of around 28,000 international students in 2013/14, or 0.6 per cent of commuters during peak time. Source: London First & PwC (2015) London Calling: International students' contribution to Britain's economic growth

[63] London Economics (2018) The costs and benefits of international students by parliamentary constituency Report for the Higher Education Policy Institute and Kaplan International Pathways

[64] Note: Values per student are rounded to the nearest £1,000. All estimates are presented in 2015/16 prices, and discounted to reflect net present values.

Appendix 1

For the purpose of this report, the following HE institutions are considered to be based in London:

- Birkbeck College
- Brunel University London
- City, University of London
- Conservatoire for Dance and Drama
- Courtauld Institute of Art
- Goldsmiths College
- Guildhall School of Music and Drama
- Heythrop College
- Imperial College of Science, Technology and Medicine
- King's College London
- Kingston University
- London Business School
- London Metropolitan University
- London School of Economics and Political Science
- London School of Hygiene and Tropical Medicine
- London South Bank University
- Middlesex University
- Queen Mary University of London
- Ravensbourne
- Roehampton University
- Rose Bruford College of Theatre and Performance
- Royal Academy of Music
- Royal College of Art
- Royal College of Music
- Royal Holloway and Bedford New College
- SOAS University of London
- St George's, University of London
- St Mary's University, Twickenham
- The Institute of Cancer Research
- The Royal Central School of Speech and Drama
- The Royal Veterinary College
- The University College of Osteopathy
- The University of East London
- The University of Greenwich
- The University of West London
- The University of Westminster
- Trinity Laban Conservatoire of Music and Dance
- University College London
- University of London (Institutes and activities)
- University of the Arts, London