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The Rt Hon Yvette Cooper MP
Secretary of State for the Home Department

The Rt Hon Bridget Phillipson MP
Secretary of State for Education

Committing to the Graduate Visa Route to secure economic growth and stability in the UK's higher education sector

Dear Secretaries of State,

We write in response to the article in The Times published on 24 February *Get a graduate-level job or go home, foreign students to be told* which suggested that the Graduate Visa Route may be subject to stricter income requirements.

Maintaining the graduate route is essential to the UK's global competitiveness and economic growth. We urge the government to reaffirm its commitment to the graduate route as a core pillar of the UK's International Education Strategy and economic plans. International education is a priority within the London Growth Plan, and the ability to attract and retain global talent is crucial to sustaining London's position as a world leading

hub for innovation, investment and skills. A clear commitment to the graduate route will ensure that London and the UK more broadly continue to benefit from the economic, cultural and research contributions of international students.

London has established itself as the world's premier destination for international students. The capital hosts one international student per approximately 90 members of the resident population, compared to a ratio of one-to-180 UK-wide. Furthermore, 40% of all first-year international students in the UK choose to study in the capital, cementing London's status as the nation's foremost hub for global educational talent.

The economic impact of these students is substantial and far-reaching. The 2021–2022 cohort of international students in London [contributed a net economic impact of £9.59 billion to the UK economy](#). This translates to an average net impact of £131 million per constituency, or £1,040 per resident—almost double the national contribution per resident. The benefits of this economic boost are widely distributed, with almost all London constituencies generating a net economic impact of over £75 million from international students.

London is home to seven of the top 20 parliamentary constituencies generating the greatest net impact from international students. These include West Ham (ranking 7th nationally), Bethnal Green and Bow (10th), East Ham (11th), Bermondsey & Old Southwark (12th), Poplar and Limehouse (13th) and Brent (19th). Perhaps most notably, Holborn and St Pancras – represented by Prime Minister Sir Keir Starmer – ranks second nationally for economic contribution from international students, with seven higher education institutions hosting over 20,000 international students. The prosperity that London gains from international students ultimately benefits the entire UK.

Graduate visas and UK businesses

The graduate route visa offers advantages to UK businesses seeking talented employees. As an unsponsored pathway, it significantly reduces the administrative burden and costs for employers, making it considerably easier for businesses of all sizes, including small and medium-sized enterprises, to hire talented international graduates. This provides a

flexible pathway for businesses to access the skills they need while allowing graduates to gain valuable work experience in the UK, further enhancing the UK's reputation as a destination for global talent.

Risks to international student recruitment

Recent data reveals concerning trends that threaten London's position as a world-leading destination for international students. Home Office figures show 16% fewer international student visa applications between July and September 2024 compared to the same period in 2023. Although it is right that students contribute to the costs of their visa applications and healthcare, this decline follows measures introduced by the previous government, including bans on dependents for one-year master's students and increases in visa fees and health surcharges. These policy changes have demonstrably damaged the UK's appeal as a study destination at a time when global competition for international students is intensifying.

The financial contribution of international students is vital to the sustainability of UK higher education institutions. International student fees help fund world-leading research, which is not fully funded by government, and cross-subsidise courses for domestic students, as the real terms value of home fees—now around £6,000—does not meet the full cost of provision. Additionally, these fees enable institutions to maintain cutting-edge, sustainable facilities and fund vital student support services that benefit all students, domestic and international alike.

Impact of falling international student numbers

A significant reduction in international students would have far-reaching and potentially devastating consequences for UK higher education and the broader economy. The effect would be catastrophic, with multiple institutions facing failure, and quickly. This presents a systemic risk to the sector, as universities participate in 'last man standing' pension schemes, such as Universities Superannuation Scheme, where the collapse of an institution increases the liability of all other member institutions.

The impact would extend well beyond the institutions themselves. UK students would face course closures and reduced campus diversity, limiting their educational opportunities and exposure to global perspectives. The economic consequences would be equally severe. London's universities support 223,000 jobs across all sectors of the UK economy

and contribute over £12 billion to UK Gross Domestic Product. Any significant decline in the sector would therefore have profound implications for employment and economic output across the capital and beyond.

The loss of international students affects different types of institutions in various ways, creating a complex landscape of risk. Russell Group and other research-intensive universities would face instability in funding the full economic costs of research and development activities, threatening their innovation and growth potential. This could undermine the UK's position as a global research powerhouse and jeopardise its ability to attract research investment.

Modern universities face perhaps an even more precarious position, with the risk of financial decline and cuts to courses and jobs, as they are less likely to access alternative income sources such as philanthropic donations. For conservatoires and small, specialist institutions, a fall in international students would jeopardise their ability to attract the best global talent in their fields and severely impact their financial sustainability, potentially leading to the loss of unique educational provision in specialised fields critical to the UK's cultural and creative industries.

In an age of 'going for growth', universities and higher education institutions are instrumental in attracting talent and incentivising graduates to stay and contribute to UK public services and businesses. The graduate route visa is a key mechanism for achieving these aims, allowing talented individuals to establish themselves in the UK and contribute to its economic and social fabric.

By reaffirming its commitment to the graduate route visa, the government can send a strong message that international students are welcome and can both benefit from, and contribute to, the exciting growth opportunities in London and across the UK. A failure to do so risks undermining not only our world-leading higher education system but also the

future of innovation, global talent attraction, and the economic vitality of London and the UK.

We look forward to your response and hope for a clear reaffirmation of the government's commitment to international students and the graduate route.

Yours sincerely,



Dr. Diana Beech
Chief Executive
London Higher



Karim Fatehi OBE
Chief Executive Officer
London Chamber of Commerce
and Industry

CC: Rt Hon Peter Kyle MP, Secretary of State for Science, Innovation and Technology
Rt Hon Rachel Reeves MP, Chancellor of the Exchequer
Rt Hon Jonathan Reynolds, Secretary of State for Business and Trade