

## **Government Response to the House of Lords Science and Technology Select Committee Report: International Science, Technology, Engineering and Mathematics (STEM) students**

### **Introduction**

1. The Government thanks the Committee for its report into International Science, Technology, Engineering and Mathematics (STEM) students, and for its recommendations.
2. The Government has reformed the student visa system to cut out the abuse of the system, and will continue to do so. We have also taken steps to continue to attract talented international students to our world class universities. We have been very clear that there is no limit on the number of international students and there are no barriers to studying in the UK. We introduced a range of reforms so that all those who are sponsored by a reputable institution, have sufficient funds to support themselves, and can speak adequate English are able to study in the UK. There have been a number of myths and inaccurate perceptions, which we are determined to correct, in partnership with the sector who also have an important role to play in this.
3. The Committee's report recognises that many factors influence international students when they decide where they would like to study and it can be "difficult to tease out the motivations of prospective international students with any great certainty." However, we remain on course to achieve our objectives in our international education strategy. The UK is the second most popular destination in the world for university study, behind only the USA, and it is clear that the UK is continuing to attract international students. We saw a 7% growth in visa applications by those seeking to study at UK universities in the last year (and a 17% rise compared to 2010), with an 11% increase for the world-leading Russell Group.
4. Our message is a welcoming one that encourages genuine international students to come and study at our world-class universities. As the Prime Minister said before the Liaison Committee on 13 May 2014: "...We have a very clear policy...We want them to come here to study at our great universities. We want them to contribute to our economy. We want them to come here to build a relationship with Britain...We do not need to make a change to our immigration policy or the way we measure statistics in order to have an incredibly positive offer to students around the world." The Prime Minister also emphasised the importance of selling the excellent offer we have for international students.
5. Where Government, universities and the sector work together to communicate the strength of the UK offer there is nothing to stop our universities growing their international student numbers in a sustainable way.

## RECOMMENDATIONS

### Interpreting the data: Influencing factors

#### *Recommendation 1*

*We therefore recommend that every two years the Government review comprehensively the experience offered to international students by the immigration process and assess how the rules—specifically in terms of entry and the ability of students to stay and work in the UK after completion of their studies—compare with the UK's competitors. The Government should publish a report to Parliament setting out in full their evidence base, analysis and findings of the review.*

1. The Government has overhauled the student visa route with a package of measures to tackle abuse while attracting the brightest and best students to our world-class universities, and we believe that the policy has achieved the right balance. We consider that students should be choosing to study in the UK on the basis of the excellent education that is available at our world class universities and that the UK remains extremely attractive to international students and international STEM students. We are determined to ensure that the UK remains a competitive destination for international STEM students and we closely monitor and keep under continuous review the impact of the reforms and look for any unintended consequences, as is good policy-making practice. We keep our policy changes under constant review using feedback from case workers, stakeholders and the sector and carefully consider the available data, from the UK and our competitors. We do not consider that a biennial review would improve the ongoing and holistic process of review that the student visa system is currently subject to. We already have a Joint Education Taskforce which meets regularly to discuss on-going issues and operational issues are discussed with the sector in the co-regulation steering group. We believe that we have in place the right mechanisms for on-going consultation and review with the University sector.

### Government policy objectives

#### *Recommendation 2*

*We recommend that the Government distinguish in the immigration statistics and the net migration target between students—holding Tier 4 visas—and other immigrants. In addition, the Government should treat student numbers separately for immigration policy making purposes.*

2. The Government is absolutely clear that all genuine students are welcome, and there is no cap on the number of international students.

3. The independent Office for National Statistics (ONS) publishes data showing immigration by category, so the number of students may be distinguished from other migrants – just like our competitors' statistics. In doing so, the ONS uses the United Nations definition of net migration, which covers all those coming for 12 months or more, including students. Like other migrants, students who stay for longer than 12 months have an impact on communities, infrastructure and services while they are here, so it is right that they are included. If students return after their studies their

impact on long term net migration will be minimal, however, ONS net migration statistics show that this is not always the case.

4. Changing the way we measure migration would not make any difference to our student migration policy. We have introduced some basic minimum standards in order to tackle abuse, whilst continuing to welcome all genuine students who wish to attend a UK university or college that meet our requirements. As the Prime Minister said to the Liaison Committee "...we have a very, very positive offer to make. I do not think we need to change our statistics; we just need to make sure we are getting out there and selling Britain."

#### **Tier 4 student visa requirements**

##### *Recommendation 3*

*We recommend that the Home Office, together with BIS, take immediate steps to streamline the Tier 4 visa process, remove unnecessary obstacles and improve the experience for international students from the point of application to departure.*

*In particular, we recommend that the Government: bring the costs of applying for a Tier 4 visa in line with the UK's competitor countries; improve the training and guidance given to staff conducting credibility interviews; ensure that international students who need to interrupt their studies for personal or medical reasons are able to resume their studies afterwards; and ensure that their own rules for academic progression within the visa process do not inhibit legitimate transfers between courses for the purposes of gaining new skills.*

*We also recommend that universities adopt a proportionate approach to the management of the risks to their Trusted Sponsor status.*

##### 5. Customer service

We have an excellent visa service, and we are committed to doing all we can to offer excellent customer service to those applying for a visa. Government departments work closely with stakeholders to promote the UK as an attractive destination for prospective international students. Tier 4 students can now make their applications and payments online, and we have received positive feedback from students and educational institutions for this new service. We will continue to improve our online presence to make it even more user-friendly.

6. We have over 190 commercial partner run visa application centres around the world – a market leading number. In total, we have 340 application points and we have 12 visa application centres in India and in China alone (compared to 3 or 4 on offer from most of our competitors). We have introduced a number of improvements and new services to improve customer choice and convenience but we continue to look at ways we can enhance our visa service, using feedback from our customers and partners.

7. We worked with The University of Sheffield to produce a series of video clips for prospective international students which demonstrate the simplicity of the application and interview process. Overall, the feedback received has been good

and the number of Tier 4 visa applications indicates that it is not a deterrent for genuine students.

8. Cost of applying for a Tier 4 visa

We do not believe that the cost of a student visa deters students from coming to study in the UK. It is around average when compared to our competitors – less than a student visa in Australia and less than the cost associated with studying in the USA when health insurance is factored in. Independent research suggests that the visa represents less than 1% of the overall cost of studying here.

9. Credibility interviews

This Government introduced a requirement that a visa officer must be satisfied an applicant is a genuine student, and that this should be tested in an interview. Students are routinely interviewed by the US, and are interviewed on a risk basis by Canada and Australia, amongst other countries.

10. Guidance and a training package were provided to staff, and in the last year staff interviewed over 100,000 applicants, helping to prevent abuse of the student visa system. This is a short, light-touch process which does not make any significant difference to the process for most students. The interview is designed to confirm credibility of the individual and their ability to follow the course proposed, and so should not prove difficult for genuine applicants. Where an application is refused the applicant can request that the decision is reviewed by an entry clearance manager. The entry clearance manager will review the decision to ensure that the decision has been made in accordance with the Immigration Rules.

11. Interrupted studies

The Tier 4 student visa is intended for students who are studying. Where a student's studies are interrupted, for example by personal or medical circumstances, it is right that a student does not remain in the UK using a student visa. When the student is able to resume their study there is no reason why a student meeting the visa conditions cannot re-enter the UK to do so.

12. Academic progression

The Government introduced a requirement that students should show academic progression when applying for further leave as a student in the UK. Requiring a student to show academic progression is a reasonable measure to ensure that those with a student visa are studying and progressing academically, given the abuse that was prevalent in the system. The Immigration Rules and Tier 4 Guidance recognise that there will be occasions where a further course will not always be at a higher level than the previous course, and that there are circumstances where students can legitimately transfer between courses for the purposes of gaining new skills. Universities are, therefore, afforded flexibility to sponsor students where they confirm that further study at the same level and in exceptional circumstances at a lower level will complement the student's previous course.

## **Academic Technology Approval Scheme (ATAS)**

### *Recommendation 4*

*We recommend that the Government immediately improve the design and operation of the Academic Technology Approval Scheme so that it is fit for purpose. We recommend that the scheme is better resourced, particularly for the period in the year when it is most in demand, streamlined and explained much more clearly to both universities and applicants.*

13. We are committed to working in partnership with institutions to help students through the process. The vast majority of completed applications are handled within a four week timeframe, in line with targets. When students are concerned about their application, we suggest that they either email or – where urgent – ask their prospective host institution to raise their case with the Foreign and Commonwealth Office (FCO) ATAS unit, which has responsibility for administering the system. A dedicated e-mail address and telephone line have been introduced to enable institutions to do this.

14. We are taking action to improve the service further, replacing the current ATAS online application system with a new service which should significantly improve its resilience and efficiency, while enabling us to keep it free of charge to the customer. It will have an improved user interface, enabling students to monitor the progress of their application. The new application system is in the final stages of development, and we expect the improved service to be introduced in the coming months.

15. In the light of this report and other feedback, we shall also take steps to clarify the subjects that are covered by ATAS and communicate this to academic institutions.

### **Post Study Work Route (PSW)**

#### *Recommendation 5*

*In conclusion, it is clear to us that the closure of the previous post study work route has had a deleterious effect on international students. Four months is too short a post study work period and it is at least questionable whether £20,300 is an appropriate figure across all STEM disciplines. It is also unclear how this figure was arrived at. The previous post study work route was simple and competitive; current arrangements are far less so.*

*We therefore recommend that the Government immediately reinstate the previous post study work route as it was simple, competitive and effectively enabled qualified STEM students access to the UK jobs market. If the Government do not agree with this recommendation they should explain why this is the case to Parliament and, within current arrangements, at least review the appropriateness of the £20,300 starting salary figure across all STEM disciplines and the length of time afforded to STEM graduates to seek work in the UK. The review should be completed by autumn 2014 and a report to Parliament published.*

16. The Government is committed to enabling the best international graduates to access the UK labour market. However, the old “Tier 1 Post-Study Work visa” allowed too many students to end up in low-skilled jobs, in unskilled jobs or unemployed. In 2009, over 38,000 graduates were given post study work visas,

giving them unconditional access to the labour market for up to two years. This was absurdly generous at a time of high unemployment amongst UK graduates.

17. We have replaced the Post Study Work visa with a selective system. All students studying a course for a year or more will have four months at the end of their course, which they can use to search for a graduate-level job with a company that has a Tier 2 licence. Those entering Tier 2 in this way do not count against the annual Tier 2 limit of 20,700 places, and we have waived the requirement on employers to test whether a suitable resident worker is available. It is also easy for businesses to become a Tier 2 sponsor, they can apply online and the application takes just thirty minutes.

18. A minimum salary threshold was introduced for Tier 2 by the previous Government, following a recommendation in a 2009 Migration Advisory Committee (MAC) review into Tier 2 of the Points-Based System. The MAC is an independent body, consisting of expert labour market economists, who provide advice to the Government on economic issues relating to migration. A Tier 2 job must pay £20,500 (since 6 April 2014) per year or the appropriate rate for the occupation, where it is higher. The appropriate rate is taken from national earnings data and, for new entrants (which include graduates switching from Tier 4 into Tier 2), it is set at the 10<sup>th</sup> percentile of earnings for resident workers in the same occupation. In its October 2012 report on Tier 2 codes of practice, the MAC found: "On average, the 10th percentile was greater than £20,000, for occupations eligible for Tier 2, by around £2,800." In other words, around 90% of resident workers in jobs skilled enough to qualify for Tier 2 were earning significantly more than £20,000. In this context, we do not believe the threshold is too high. Tier 2 is reserved for graduate occupations only and is used to fill skills-gaps, rather than as a source of cheap labour.

19. In addition, students can also stay as a Graduate Entrepreneur, under the first scheme of its kind in the world and there are also schemes for completing PhD students and corporate interns.

20. Taken together, the Government considers this to be a highly attractive offer. The Prime Minister said to the Liaison Committee "...if people come and study in Britain and they can get a graduate paid job, they should be able to stay in Britain and contribute to our economy. In a global marketplace for students, do we actually want to say, "Yes, you can come to a British university, study and then do a non-graduate job"? We have plenty of British people who need those non-graduate jobs and are getting the training and the education but might not make it to university. We want people with real get up and go to come here to study and then to get a graduate job...I actually think that if you have a really good offer, no limit - you can come to Britain, you have to have an English language qualification and you can work here in a graduate job - then sell that offer rather than saying, "There's a problem of perception. We have to change the policy," in a way that I think would be completely wrong."

21. The Government constantly reviews the position and does not consider that a separate report on this is necessary.

## Taught Masters

### *Recommendation 6*

*We recommend that BIS immediately establishes a working group to review the impact of actual, and potential, reductions in the numbers of international students on the provision, sustainability and quality of taught Masters courses in STEM subjects in the UK. BIS should ensure that UK and international students continue to have access to taught Masters courses in order to meet the needs of the industrial strategy, health strategy and wider national interests. This working group should include representation from HEFCE, industry and the Higher Education sector. The group should report by autumn 2014 and publish its findings openly.*

22. We will ask the International Education Council (IEC) which was set up following the publication of the International Education Strategy in 2013, to look annually at the trends of international students coming into the UK and make an assessment in conjunction with BIS and HEFCE analysts about any impacts on the availability of courses across the University sector. HEFCE already monitor the health and sustainability of strategically important subjects (which includes the STEM subjects) in universities, and publish regular reports, and their analysis will inform the IEC's work".

## Policy Stability

### *Recommendation 7*

*We recommend that the Government aim to achieve far greater policy stability in this area. We do not believe that the Government should rule out making any changes altogether, indeed, we invite the Government in this report to change several elements of current policy. A policy priority, however, must be the creation of a simpler, more stable and predictable policy environment. If further changes are to be made, we recommend that they are not introduced part way through an admissions cycle, and that both institutions and students are given adequate warning and time to absorb and implement policy changes.*

23. The Government understands that frequent Immigration Rules changes can place a burden on education providers, and we seek to minimise the frequency of changes wherever possible. In most cases, the Rules are only changed twice a year, in line with common commencement dates. Since the major reforms to Tier 4 were completed in 2012, many of the changes made to the Tier 4 rules have been in response to requests from sponsors to make the system easier to use, or to provide more flexibility – for example by introducing the Doctorate Extension Scheme in April 2013. It is important that we retain the flexibility to respond to these requests without undue delay, and to react quickly where there is evidence that the system is being abused.

24. We work closely with the Joint Education Taskforce to communicate upcoming changes to the Immigration Rules so that they can be communicated to their members. Information is also provided to the sector through targeted communications and we ensure that information for students on our website is up-to-date and accessible.

## **Perception and communication**

### *Recommendation 8*

*We recommend that the Government improve the way in which information is provided to prospective students via both Government websites and all sources of information over which they have control. The Government should take steps to ensure that the language used is clear and that a welcoming, consistent message is conveyed across the whole of Government.*

25. The Government has taken every opportunity to communicate the message that the UK is open for genuine international students, and we welcome moves to improve the information available to prospective students. Government departments are already working with the British Council, universities and representative bodies to do this.

26. We have improved online applications through gov.uk and worked with the University of Sheffield to create the film 'Applying to Study in the UK, Two Real Stories', which shows positive experiences of the visa application process to encourage students to study in the UK. This video appears on the Home Office website, the British Council regularly uses the film at their education exhibitions and the British Council is making the film available to education agents.

27. We offer an excellent customer service to prospective students, and work is ongoing to ensure that the improvements continue in the online application process and the information available via the website. This is an area in which the education sector also has an important role to play: to ensure that messaging about the excellent UK offer is accurate, and to challenge the myth that the UK does not welcome genuine international students.

## **Monitoring and evaluation**

### *Recommendation 9*

*We recommend that the Government, in partnership with Higher Education Institutions and the Higher Education Funding Councils, improve markedly their monitoring and evaluation of the effects of their immigration policies on international students. Data should be made available far more quickly, thus enabling the Government to make timely policy responses as appropriate. Furthermore, it is essential that the Government put in place an ongoing monitoring and evaluation mechanism to determine the impact of their policies and underpin future decision making. Monitoring and evaluation processes should be embedded in the policy making process and findings should be routinely published in the biennial review we recommend.*

28. Ensuring that Government policy is based on the best available evidence, the impact of migration policy is already considered in a variety of ways, including through the quarterly Home Office national statistics on migration and Migration Advisory Committee reports. In addition, the International Education Council looks at the trends of International students coming into the UK and the reasons behind any changes on an annual basis.