

**London Higher Submission to the APPG for London as a Global City**

**15 November 2021**

*London Higher is the representative body for the UK's higher education powerhouse of London. Our membership comprises over 40 universities and higher education colleges across the capital, ranging from large, multi-faculty institutions to small, specialist conservatoires and research institutes.*

**The current landscape**

As a city, London has one of the largest concentrations of universities and higher education colleges in the world. London's higher education providers have a combined student population of over 425,000.<sup>1</sup> They support 223,000 jobs across the economy, generating £12bn in GDP for the nation.<sup>2</sup> Many of the capital's higher education institutions are world-renowned for their excellence and prestige, with four universities in the world's top 200 – that is more than in any other global city.<sup>3</sup>

The quality and diversity of London's higher education sector makes the UK capital a magnet for international students and researchers. In fact, just under a third (32 per cent) of London higher education enrolments are from overseas students, with 10 per cent from the European Union (EU) and 22 per cent from elsewhere in the world.<sup>4</sup> This is undoubtedly helped by the fact that London is the most connected city in the world and is one of only two global cities ranked 'Alpha++' for being integrated internationally.<sup>5</sup>

A recent study by the Higher Education Policy Institute (HEPI) and Universities UK International (UUKi) showed London is the most popular UK region for international students, with the capital enrolling over 70,000 first-year international students each year.<sup>6</sup> Just one year's cohort of international students in London generates an average net impact of £88m per parliamentary constituency, which is equivalent to £760 per resident. This is the highest economic impact from international students of any region in the UK.<sup>7</sup>

Despite the challenges of the past year brought about by the Covid-19 pandemic, the QS City Rankings find London remains the best city in the world to be a university student, with the

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<sup>1</sup> 'Who's studying in HE?', Higher Education Statistics Agency, 9 February 2021, available at: <https://www.hesa.ac.uk/data-and-analysis/students/whos-in-he#numbers>

<sup>2</sup> *The Economic Contribution of the Higher Education Sector in England*, Frontier Economics for Universities UK, 27 September 2021, available at: <https://www.universitiesuk.ac.uk/sites/default/files/field/downloads/2021-09/UUK%20Economic%20Footprint%20of%20HE%20Sector%20Summary.pdf>

<sup>3</sup> *Global Cities Comparison Report*, Edition 3, September 2021, London & Partners, p. 31.

<sup>4</sup> *The impact of removing the London Weighting*, London Higher report, April 2021, p.14, available at: [https://www.londonhigher.ac.uk/wp-content/uploads/2021/04/RPT-LH-Impact-of-LW-Removal-FINAL-STC\\_spg.pdf](https://www.londonhigher.ac.uk/wp-content/uploads/2021/04/RPT-LH-Impact-of-LW-Removal-FINAL-STC_spg.pdf)

<sup>5</sup> 'London and New York are the most connected cities in the world – new data shows', 2 September 2020, available at: <https://www.lboro.ac.uk/news-events/news/2020/august/london-new-york-most-connected-cities-in-the-world/>

<sup>6</sup> *The costs and benefits of international higher education students to the UK economy*, HEPI and UUKi, p.7, available at: <https://www.hepi.ac.uk/2021/09/09/international-students-are-worth-28-8-billion-to-the-uk/>

<sup>7</sup> *ibid.*, p.13

UK capital retaining the top spot for the third year running and ranking ahead of other global cities such as Tokyo, Boston and Berlin.<sup>8</sup> The Study Abroad Index also names London as the best global city to live and study, with its high number of top-ranked universities (22) a clear contributing factor.<sup>9</sup>

### **Opportunities from London's global city status**

#### ***Growing international student numbers***

With its continuing global appeal, London and its higher education sector is key to helping the Government achieve its aim, set out in the International Education Strategy, to bring 600,000 international students into the UK each year by 2030. So, it is clear the UK Government cannot realise this ambition by without putting London at the heart of its future international education strategies.

#### ***Bolstering the UK talent pipeline***

Moreover, thanks to the new Graduate Route visa, international students in the UK can now stay in the country for two years after graduation for bachelor's and master's degrees or three years for PhD students. This means that much more of London's sizeable international graduate population is likely to stay in the country to work, thereby enhancing the potential to make the capital a gateway for international talent who will go on to assume and create jobs, not just in London, but throughout the UK.

#### ***Boosting UK R&D***

By attracting and retaining international talent, London's impressive higher education sector is integral to helping the Government achieve its ambition for the UK to become a global science superpower. Research and development (R&D) activities performed in London and the South-East already account for over half (54 per cent) of all UK R&D, bringing in £9.1bn to the UK economy.<sup>10</sup> By keeping more talented graduates in the country, London will have the chance not only to boost its own R&D outputs but, provided integrated employment and progression pathways be developed, form a vital talent pipeline for research-based and tech-driven businesses and industries right throughout the nation.

### **Challenges facing London's global city status**

#### ***Brexit***

In August this year, British universities experienced a 56 per cent reduction in the number of EU students accepted on to higher education courses, with accepted applicants falling from 22,430 at the same period last year to just 9,820 this year.<sup>11</sup> Should the dramatic reduction of

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<sup>8</sup> Richard Adams, 'London remains best city in the world to study in new rankings', *Guardian*, 28 July 2021, available at: <https://www.theguardian.com/education/2021/jul/28/london-remains-best-city-in-the-world-to-study-in-new-rankings>

<sup>9</sup> Study Abroad Index, *EduBirdie*, available at: <https://edubirdie.com/study-abroad-index>

<sup>10</sup> *Research and development spending*, House of Commons Research Briefing, 2 September 2021, available at: <https://commonslibrary.parliament.uk/research-briefings/sn04223/>

<sup>11</sup> Nic Mitchell, '56% plunge in EU students accepted at British universities', *University World News*, 19 August 2021, available at: <https://www.universityworldnews.com/post.php?story=20210819092302668#:~:text=But%20the%2056%25%20drop%20in,to%20just%209%2C820%20this%20year.>

EU students remain a long-term trend, this will have implications on the diversity of London's campus communities and would bring an end to the capital's popularity as an EU student hub.

### ***The loss of a two-way student mobility scheme***

Since the Turing Scheme was launched in 2020 to replace the Erasmus+ programme, 29 London-based higher education providers have been successful in securing grant funding for projects to send 'home' students on education and training placements around the world.<sup>12</sup> However, the Turing Scheme focuses on outward mobility only and does not provide funding for incoming international students as was previously the case under Erasmus. This has made it harder for London institutions to attract students from the EU to undertake short study placements in London. As well as reducing economic impact in the short-term, this could well effect EU applications to London higher education courses in the long-term too, since fewer students will be being inspired from positive Erasmus experiences to apply for future postgraduate study in London and the wider UK.

### ***Planning and investment uncertainty after Covid***

With international students not yet fully able to travel to London due to continuing pandemic restrictions around the world and with many having started their courses remotely due extended flexibility in the UK visa system, we are not yet sure whether the pandemic has changed international student footfall in London for the long-term. So, questions are being raised by investors and property providers whether it is now worth investing and planning in London to capitalise on future market growth.

### ***Unstable labour market***

Covid-19 has also altered prospects for the city's graduates. Before the onset of the pandemic, London was the powerhouse of the UK economy and graduates in the capital enjoyed one of the best employment rates and starting salaries in the country. However, the pandemic has hit the capital's economy particularly hard, with the Institute for Fiscal Studies suggesting that the city accounted for more job losses than any other region of the UK.<sup>13</sup> Therefore, as uncertainty persists about the future health of London's labour market, prospective students and graduates may be tempted to look elsewhere to kick-start their careers.

### ***Fallout from domestic policy decisions***

The recent decision to remove the London Weighting allocation from higher education providers across the capital, despite acknowledging the higher operating costs they face, could have profound implications on the international perception of London.<sup>14</sup> As a global city, what happens in London is seen by the rest of the world and the London Weighting cuts

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<sup>12</sup> *Turing Scheme 2021: Funded Organisations*, UK Government, available at: <https://www.turing-scheme.org.uk/wp-content/uploads/Turing-Scheme-2021-Funded-Organisations-Higher-Education.pdf> (Total number of successful providers from London plus Royal Holloway, University of London).

<sup>13</sup> Poppy Wood, 'Coronavirus: London suffers "heaviest job losses in UK" during pandemic', *CityAM*, 16 February 2021, available at: <https://www.cityam.com/coronavirus-london-suffers-heaviest-job-losses-in-uk-during-pandemic/>

<sup>14</sup> 'OfS confirms funding reforms', 20 July 2021, available at: <https://www.officeforstudents.org.uk/news-blog-and-events/press-and-media/ofs-confirms-funding-reforms/>

were covered as far afield as South Korea, including coverage of potential job losses, reduction of student support services and effects on the overall London student experience.<sup>15</sup> Domestic policy decisions to ‘level down’ London’s higher education could therefore dissuade prospective international students and investors away from London and towards other world cities instead.

## **London and other parts of the UK**

### ***Levelling down London***

The recent decision to remove the London Weighting from the capital’s universities and higher education colleges was the first policy move against London and is irrational given the Government has fully accepted the higher operating costs facing providers in London and is knowingly leaving London’s students with less resource than those elsewhere in the country. The move is also based on the myth that all London universities generate, and are able to generate, added income from international students, when in fact the benefits of international students are not shared uniformly among London providers and many more universities outside London take far greater numbers of international students than some London ones.<sup>16</sup> Creating an uneven playing field by playing popular politics is akin to levelling London down, not levelling the rest of the country up. When it comes to international student choice, it is often not a question of deciding between two UK cities to study, but it is a choice between London or other global cities like Paris, New York or Melbourne. So, underfunding London’s higher education institutions could well have negative effects on the attractiveness of the UK higher education sector as a whole and could end up disadvantaging the regions as much as London.

### ***London recovery***

To garner public support for the need to help London recover, London and its institutions need to show a humble, human face and make clear what they are doing to improve lives in the region. Working amidst the greatest levels of inequality in the country, London’s universities already serve as lifebuoys in their local boroughs and many have developed strategic partnerships for education and innovation, such as those detailed in the Civic University Agreement for Lewisham from **Goldsmiths, University of London** and **Trinity Laban Conservatoire of Music and Dance**.<sup>17</sup> Other London Higher members are also working hard in their localities to boost skills and jobs, such as the **University of West London (UWL)** through its work with the Heathrow Skills Partnership to create opportunities in the West London airport economy around Heathrow hardest hit by Covid. Another example is the Camden Renewal Commission, set up by Camden Council and the Institute for Innovation and Public Purpose (IIPP) at **University College London (UCL)**.<sup>18</sup> This brings together commissioners representing Camden’s community, the voluntary sector and the business and

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<sup>15</sup> See *EBS News* article (NB: article in Korean), 27 April 2021, available at: [https://home.ebs.co.kr/ebsnews/menu1/newsAllView/20500291/H?eduNewsYn=R&newsFldDetlCd=CORNER\\_17](https://home.ebs.co.kr/ebsnews/menu1/newsAllView/20500291/H?eduNewsYn=R&newsFldDetlCd=CORNER_17)

<sup>16</sup> See table in *The impact of removing the London Weighting*, p.28.

<sup>17</sup> Civic University Agreement 2021-24, available at: <https://www.gold.ac.uk/community/civic/cua/agreement/>

<sup>18</sup> See Camden Renewal Commission website, available at: <https://camdenrenewal.com/>

academic community to work on developing practical solutions to help create a fair, sustainable society and address the inequalities that exist in Camden. Stories of university-civic partnerships such as these, which aid recovery, can help increase public appreciation, both for higher education and the plight of London. (NB: At London Higher, we will be releasing The London Higher Civic Map – the first regional map of UK university civic activity – on 14 December to help foster appreciation for universities’ contribution to civic society).

## **Policies and initiatives**

### ***Ensuing London is levelled up too***

To ensure London’s higher education sector continues to create opportunity for all – domestically and internationally – we ask Government to reallocate the London Weighting to the capital’s universities and colleges to make up for the shortfall of funds that the Office for Students acknowledges will arise from London’s higher operating costs.<sup>19</sup> We also ask for a commitment to a longer-term, three-year funding allocation for the ‘Uni Connect’ collaborative partnership between higher and further education providers and schools to drive social mobility and educational recovery in the most disadvantaged areas of the capital. In addition, we want to see London institutions being given equal consideration in strategic funding schemes such as the Levelling Up Fund, the UK Shared Prosperity Fund and the Strength in Places Fund to ensure London gets the resource it needs to serve local communities and continue attracting international talent.

### ***Boosting international study opportunity***

To maintain London's international reputation and further its global reach, we ask that Government put London’s higher education sector front and centre of future international education strategies and include London Higher and our ‘Study London’ campaign in strategic discussions and delegations led by the Government’s International Education Champion to enhance the allure of London to the outside world.

### ***Enhancing London R&D***

To ensure London’s R&D ecosystem continues to serve the region and county, we ask Government to protect, at the very least, the current level of resource for London’s R&D base to attract international investment. We also encourage the development and funding of regional collaborative R&D clusters, including for London, to encourage research-led and practice-based solutions to local challenges and community needs. Indeed, levelling up in areas such as research relies on building strengths within, across and between regions.<sup>20</sup> Regional university networks such as ours can also facilitate the symbiotic co-ordination between R&D, skills and training, knowledge exchange and other demand-side growth

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<sup>19</sup> *Recurrent funding for 2021-22: Outcomes of consultation*, Office for Students, 20 July 2021, p.56, available at: [https://www.officeforstudents.org.uk/media/c7329f54-2668-431e-ba14-616892a26586/recurrent\\_funding\\_2021\\_22\\_outcomes\\_of\\_consultation\\_final\\_for\\_web.pdf](https://www.officeforstudents.org.uk/media/c7329f54-2668-431e-ba14-616892a26586/recurrent_funding_2021_22_outcomes_of_consultation_final_for_web.pdf)

<sup>20</sup> See Sarah Chaytor, Grace Gottlieb and Graeme Reid, *Regional policy and R&D: evidence, experiments and expectations*, HEPI report 137, available at: [https://www.hepi.ac.uk/wp-content/uploads/2021/05/Regional-policy-and-RD\\_HEPI-Report-137-FINAL.pdf](https://www.hepi.ac.uk/wp-content/uploads/2021/05/Regional-policy-and-RD_HEPI-Report-137-FINAL.pdf)

interventions.<sup>21</sup> Given the importance of the creative arts sector to London's R&D base, we also request parity and equity of funding for all disciplines and urge against any potential future measure that may restrict students' subject choice.<sup>22</sup>

### ***Sustainability***

To ensure London leads the way internationally for a cleaner and greener future, thereby enhancing the capital's global attractiveness, we want to see Government recognition of London's global leadership potential to champion a sustainable future for our nation and planet by establishing a 'Global Green Innovation Hub' in the city to allow London university research to be deployed at scale.<sup>23</sup> An example of London's global sustainability research which has the potential to change practices internationally is a project focused on mitigating the impacts of 'fast fashion' led by the **Royal College of Art (RCA)**.<sup>24</sup>

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<sup>21</sup> Diana Beech and Peter O'Brien, 'Boosting regional research and development: The role of regional university networks', 14 May 2021, available at: <https://www.hepi.ac.uk/2021/05/14/boosting-regional-research-and-development-the-role-of-regional-university-networks/>

<sup>22</sup> See Dr Diana Beech, *Winning London's Arts and Minds*, 15 June 2021, available at: <https://www.londonhigher.ac.uk/wp-content/uploads/2021/06/Winning-Londons-arts-and-minds.pdf>

<sup>23</sup> See Dr Diana Beech, *Clearing the Big Smoke*, November 2021, available at: <https://www.londonhigher.ac.uk/wp-content/uploads/2021/11/London-Higher-clearing-the-big-smoke.pdf>

<sup>24</sup> See 'RCA-led consortium awarded £5.4m by UKRI to establish the Textiles Circularity Centre', 11 November 2020, available at: <https://www.rca.ac.uk/news-and-events/news/rca-awarded-grant-by-uk-research-and-innovation-to-lead-the-textiles-circularity-centre/>