UK Government Immigration White Paper

Response from the British Academy

July 2025

About the British Academy

The British Academy is the UK's national academy for the humanities and social sciences. We mobilise these disciplines to understand the world and shape a brighter future. From artificial intelligence to climate change, from building prosperity to improving well-being – today's complex challenges can only be resolved by deepening our insight into people, cultures and societies. We invest in researchers and projects across the UK and overseas, engage the public with fresh thinking and debates, and bring together scholars, government, business and civil society to influence policy for the benefit of everyone.

About this submission

This submission represents the views of the British Academy, not one specific individual. We would be pleased to further discuss any elements of the response.

Summary

UK universities are a significant asset for the UK as the knowledge, research, and the individual graduate careers that they enable have <u>wide-ranging and long-standing influence</u> throughout the world.¹ Internationally, the UK's world-class universities are a significant advantage² and as acknowledged by the Government, will play a critical role in delivering the UK's industrial strategy.³ A recent preprint written by British Academy staff and collaborators from Digital Science on <u>Understanding the importance of SHAPE to the UK research ecosystem</u> demonstrates unequivocally that **the international connectedness of the UK's research base underpins the UK's research strength**. That connectedness creates an international pipeline of students, researchers, innovators and other specialist staff that enhances the UK's research excellence.

As Universities UK has noted the UK education sector hosted more than 679,000 international students in 2021-22 as part of a higher education, research and innovation system that saw almost 62% of the UK's research output over the same period being produced with an international co-author. Moreover, almost one-third of the UK's researchers and innovators are themselves international.⁴ Strikingly, the results from the latest European Research Council's Advanced Grants demonstrated that more than half of those based in the UK who won one of these globally prestigious grants was an international researcher or innovator.⁵ Immigration rules determine the sector's ability to attract and retain top global talent and international students provide a crucial source of funding that supports research and innovation.

The ability to attract and retain global talent and international students is fundamental to the UK's research and innovation excellence. The overriding objective for the UK's immigration system with respect to research and innovation should be in maximising and maintaining that leadership. Policy changes that put that at risk will damage the UK's economic growth and jeopardise the Government's industrial strategy and missions. Given that risk, we urge the Government to:

- Discontinue the idea of introducing a levy on higher education provider income from international students.
- Reduce visa costs to ensure they are at least as competitive in cost as other leading science nations, and preferably have a target to become the most competitive in the G7.
- Provide immediate clarity that the current time length for Indefinite Leave to Remain is kept in place for current and future Global Talent visa holders and their dependents.

https://www.gov.uk/government/publications/industrial-strategy;

¹ The British Academy, *Universities as Social & Cultural Infrastructure: Roundtable summary note*, 2024 <u>https://www.thebritishacademy.ac.uk/publications/universities-as-social-cultural-infrastructure-roundtable-summary-note/</u>

 ² The British Academy, *The British Academy's Economic Strategy Programme*, 2025
 <u>https://www.thebritishacademy.ac.uk/publications/the-british-academys-economic-strategy-programme/</u>
 ³ UK Government, *The UK's Modern Industrial Strategy*, CP1337, June 2025, p. 73,

⁴ Universities UK, *International Facts and Figures 2023*, March 2025, <u>https://www.universitiesuk.ac.uk/universities-uk-international/insights-and-publications/uuki-publications/international-facts-and-figures-2023</u>

⁵ European Research Council, *ERC backs cutting-edge research with* €721 *million in funding,* 17 June 2025, <u>https://erc.europa.eu/news-events/news/erc-2024-advanced-grants-results</u>

- Ensure UKVI engages with the sector, providing a clear and appropriate timescale for any changes to the Basic Compliance Assessment and ensure there is a phased approach.
- Respond to the serious questions about the Government's priorities for the finances of the sector raised by the White Paper.
- Conduct an urgent review of higher education funding in order to develop a sustainable model that delivers a wide breadth of subjects.

Global Talent visa

As an Endorsing Body for the Global Talent visa (GTV), the Academy welcomes the commitment in the White Paper to increase the number of people arriving in the UK on such routes. We would welcome support from the Government to build the GTV into the visa for the UK's research and innovation sector.

We look forward in particular to working with the Government to further develop the GTV, particularly so that early career researchers and innovators can more easily access it and to enhance the speed and simplicity of the route. This is especially important given the flux in the wider international situation and the opportunity the UK faces to attract mobile early career researchers and innovators. For example, the Academy's International Fellowships that attract international early career researchers to the UK have seen almost 30% increase in demand this year and the Government should be investing in the opportunity this presents to secure future leading researchers and innovators to build their careers in the UK.

However, the uncertainty and instability the White Paper has brought to the sector is unhelpful. This includes putting into doubt what rules will apply for indefinite leave to remain (ILR) for the current and prospective GTV holders. It is not clear whether this remains at the current 3 years or whether the Government plans to extend this to 10 years. As a result, researchers, innovators and organisations across the UK are unable to plan for the future and organisations trying to attract global talent cannot provide a key piece of information in their efforts to recruit excellent researchers to come to the UK. **This lack of clarity further detracts from the UK's ability to retain and attract global talent in a system that is already far more expensive than the UK's competitors.** This is not the long-term stable framework international research and innovation requires. **We strongly recommend that the current time length for ILR is kept in place for current and future GTV holders and their dependents and that the Government comes out urgently to confirm that is the case.**

Levy on Higher Education Provider Income from International Students

It is estimated that every £1 of public money invested in the higher education sector across the UK puts back £14 into the economy, with the total economic impact of the UK higher education sector on the UK economy placed at more than £265 billion.⁶ According to a London Economics report on the benefits and costs of international higher education students to the UK economy, a single cohort of international students provides up to £37 billion net contribution to the UK

⁶ UUK, London Economics, February 2025, The economic impact of higher education, teaching, research and innovation - <u>https://www.universitiesuk.ac.uk/what-we-do/policy-and-research/publications/economic-impact-higher-education</u>

economy.⁷ As the Government's Industrial Strategy notes Public First has found higher education is in the top 3 for exports in 102 constituencies demonstrating the essential role universities and international students play in national, regional and local economies acting as anchor institutions.⁸ Public First has also found that international students raise living standards in every constituency in the UK.⁹

However, the UK's higher education sector is facing a funding crisis, threatening the UK's world-leading reputation in research, eroding the UK's international standing, and impacting international partnerships and collaborations. SHAPE disciplines, in particular, are being cut and reduced.¹⁰ The White Paper proposes that the Government explore the introduction of a levy on higher education provider income from international students (in England only it would seem). The Academy strongly opposes the introduction of such a levy.

In addition, the Academy believes that its inclusion in the White Paper raises serious questions about the Government's priorities for the finances of the sector and indicates a lack of understanding of the extreme financial pressures the sector is currently facing and the impact these may have on teaching, research and innovation. The financial challenges facing the sector should be well known, as well as how the higher fees paid by international students cross subsidise UK research and innovation, and enables universities to provide high quality higher education subjects for UK home students. The latest Office for Students (OfS) annual financial sustainability report shows continued pressure on universities and colleges' finances with 43% of institutions forecasting a deficit for 2024-25,¹¹ rising to up to 72% of universities by next year.¹² This can be attributed, in part, to an unanticipated level of reduction in the recruitment of international students from policies the previous Government put in place.

Initial estimates by Universities UK (UUK) project that the proposed levy is expected to cost universities about £600 million.¹³ This will further undermine the financial sustainability of universities and exert greater financial pressure on a sector already under severe strain. Income from international students has long been used to cross-subsidise other activities within institutions. Historically this surplus was used to cross-subsidise the full economic cost of research; latterly it has been increasingly used to cover the costs of teaching domestic students,

⁷ London Economics, <u>The benefits and costs of international higher education students to the UK</u> economy: Analysis for the 2021-22 cohort – May 2023

⁸ UK Government, *The UK's Modern Industrial Strategy*, CP1337, June 2025, p. 73, <u>https://www.gov.uk/government/publications/industrial-strategy</u>; Public First, *Global talent, local growth: the export and jobs benefit of international students in the UK*, p.4, <u>https://www.publicfirst.co.uk/global-talent-local-growth-the-export-and-jobs-benefit-of-international-students-in-the-uk.html</u>

⁹ Public First, *Calculating the positive impact of international students pn domestic living standards in the UK*, p.3, https://www.publicfirst.co.uk/calculating-the-positive-impact-of-international-students.html

¹⁰ Mapping SHAPE Provision in UK higher education, <u>https://www.thebritishacademy.ac.uk/policy-and-research/british-academy-shape-observatory/mapping-shape-provision/</u>

¹¹ OfS's annual financial sustainability report, 8 May 2025 - <u>https://www.officeforstudents.org.uk/news-</u> blog-and-events/press-and-media/ofs-analysis-finds-continued-pressure-on-university-finances/

 ¹² BBC News, 14 November 2024, <u>University cash crisis to get worse despite tuition fees rise, BBC told</u>.
 ¹³ The Times, 12 May 2025, <u>https://www.thetimes.com/article/60028670-3f45-4e1a-b44a-</u>
 1e77800b537d?shareToken=949595f5b8fccfa654b7f7781b901dd9

since the real value of domestic tuition fees has fallen approximately a third since 2016.¹⁴ In this manner, not only are international student fees already subject to a levy of sorts, but the double jeopardy of falling domestic-student income combined with ever increasing costs has put research and innovation on a shaky foundation.

A survey by UUK in March 2025 showed that 20% of university members have already cut back on Academic R&D (up from 14% last year) in response to funding pressures, with 79% considering future reductions, while 50% had closed courses; 55% have consolidated some courses; 46% removed module options, and 18% have closed departments.¹⁵ This concerning picture is not geographically equal. Research by the British Academy published in 2025 uses data to visually depict contractions and expansions in provision by a variety of different measures. As a result, we can see where cold spots in provision are emerging or being reinforced as courses and departments close.¹⁶

International students already represent a major net inflow into the UK economy. In addition to their tuition fees, their spending contributes significantly to the local and regional economies in the towns and cities where they live and study. Further, international students are acutely sensitive to the messaging of host countries. They are already well aware that they pay higher tuition fees than domestic UK students alongside whom they study. They are also aware that many other countries charge the same tuition fee to everyone, irrespective of origin. How an additional student levy would be perceived therefore needs to be considered carefully. There is a real risk that a further financial cost based on nationality deters the best students from considering the UK, and results in them taking their talent and tuition fee funding to other countries who compete directly with the UK in the higher education market. We therefore strongly urge the Government to withdraw the proposal of a levy on international student fees. Instead, the Government should actively engage with the financial sustainability challenges in the sector and conduct an urgent review of higher education funding in order to develop a sustainable model that delivers a wide breadth of subjects.¹⁷

Similarly, we are concerned with the proposal in the White Paper to raise the minimum pass requirement of each Basic Compliance Assessment (BCA) by five percentage points. The BCA data for 2023-24 in the White Paper's technical annex indicates that 22 higher education institutions (HEIs) would not have met at least one of the increased criteria proposed, while 5 out of the 22 would have faced suspension of their licenses and been unable to sponsor international students for at least one year.¹⁸ Given the importance of international student fee income to HEIs, the potential reputational impact and the wider financial sustainability of the sector, the introduction of such increases requires careful coordination and collaboration with the sector. We expect the Government and specifically UKVI to engage with the sector, provide a clear and appropriate timescale for any changes and ensure there

https://www.thebritishacademy.ac.uk/documents/4796/tBA_Four_Nations_paper_v5.pdf ¹⁵ UUK, March 2025, Universities grip financial crisis – but at what cost to the nation? -<u>https://www.universitiesuk.ac.uk/what-we-do/creating-voice-our-members/media-releases/universities-grip-financial-crisis-what</u>

¹⁶ The British Academy, Mapping SHAPE provision in UK higher education, <u>https://www.thebritishacademy.ac.uk/policy-and-research/british-academy-shape-observatory/mapping-shape-provision/</u>

¹⁷ The British Academy, *A manifesto for the Social Sciences, Humanities and the Arts*, 2024 https://www.thebritishacademy.ac.uk/publications/manifesto-social-sciences-humanities-arts/

¹⁸ <u>Restoring Control over the Immigration System: Technical Annex, May 2025</u>

¹⁴ The British Academy, *Student Funding Across the United Kingdon: Tuition and maintenance in the four nations and the impact of inflation*, July 2023,

is a phased approach. Early information indicates that UKVI is in fact taking an opposite approach, and is jeopardising the financial health of what the Government should consider a major economic growth success story.

Visa Costs

The White Paper should acknowledge one of the major issues continually raised by researchers, innovators and organisations across the UK aiming to retain and attract excellent colleagues is that the cost of visas and related fees are some of the most expensive in the world. With respect to the GTV, a simpler and easier route is a positive development, however, the costs of visas must come down. Research excellence is contingent on immigration policy that reduces UK visa fees and charges across the board so that UK visa costs are in line with the cost of visas in other research-intensive nations and competitors for global talent. On top of the total expense, the fact that much of the cost is upfront is a major impediment that is particularly prohibitive for early career researchers and those with families. For example, a family of four coming to the UK on a 5-year GTV for the main visa holder and three dependents' visas are liable to pay £20,974 upfront (an increase of 57%) between 2021-24).¹⁹ Funders are increasingly aiming to cover the costs of visas on their grants, however, the additional cost simply erodes research and innovation budgets without increasing research productivity, thus reducing the ability of the UK to attract and retain talented researchers and innovators. This does put the UK at a disadvantage in relation to comparable fees elsewhere.

Visa cost analysis by the Royal Society in 2024 indicated that the upfront visa cost in the UK has increased by up to 126% since 2019 depending on visa type and is currently significantly (up to 17 times) higher than other leading science nations.²⁰ The immigration health surcharge (IHS) currently standing at £1,035 per year after a 66% increase in 2024 is the biggest upfront component. According to the analysis, even without the IHS, the GTV remains significantly more expensive than similar visas for talented and promising researchers in other leading science nations.²¹ However, with the IHS, the GTV is 1,583% more costly than the average in other leading science nations. We urge the Government to significantly reduce visa costs in line with other countries. The Government's goal should be for visas focused on attracting and retaining international researchers and innovators to be at least as competitive in cost as other leading science nations. This will need to include exempting researchers from paying the UK Immigration Health Surcharge. Preferably, the Government would have a target to have the most competitive visa cost in the G7.

Skilled Worker Visa

The White Paper states that the Government will raise the level for Skilled Workers to RQF6 and also raise salary thresholds. The Academy expects this to negatively impact the research and innovation sector, which will be further exacerbated by the proposed 32% increase in the Immigration Skills Charge (ISC) payable by employers of overseas skilled workers.

```
<sup>20</sup> The Royal Society, August 2024, <u>Summary of visa costs analysis 2024</u> - <u>https://royalsociety.org/-</u>
/media/policy/publications/2024/summary-of-visa-costs-analysis-2024.pdf
```

```
<sup>21</sup> The Royal Society, August 2024, <u>Summary of visa costs analysis 2024</u> - <u>https://royalsociety.org/-</u>/media/policy/publications/2024/summary-of-visa-costs-analysis-2024.pdf
```

¹⁹ The Royal Society, August 2024, <u>Summary of visa costs analysis 2024</u> - <u>https://royalsociety.org/-</u>/media/policy/publications/2024/summary-of-visa-costs-analysis-2024.pdf

The increase in the minimum salary threshold for a Skilled Worker visa²² in April 2024 has already limited the ability of UK organisations to recruit international researchers and innovators, including early career researchers and innovators, technicians, and international and European funding specialists whose salaries now fall below the threshold. For instance, as noted above, Cancer Research UK has reported increasing difficulties and costs of recruiting international staff due to the increase in the salary threshold which has constituted a barrier in the fight to beat cancer.²³

Graduate visa route

The White Paper states the Government will reduce the ability of graduates to remain in the UK after their studies to a period of 18 months. **The Academy is disappointed at this decision**. A rapid review of the Graduate visa route in 2024 by the Migration Advisory Committee stated that the route should be retained in its current form, given no evidence of significant abuse of the route, and given evidence that the scheme achieved and continued to achieve Government's objectives.²⁴

It poses a particular threat at a time when global student mobility is in flux and there are real opportunities in a competitive environment to enhance the UK's international student recruitment, boosting further its contribution to UK economic growth. In Australia²⁵ and Canada,²⁶ the Post-Study Work route enables international graduates and their families to live and work there for differing lengths of time, all longer than 18 months. Given the importance of international students to the sector's financial sustainability and policy changes from the previous Government still having a significant downward impact on international student numbers, **the Academy believes further adverse change is ignoring the sector's financial challenges and creating considerable peril for the Government's research and innovation ambitions**.

²² GOV.UK, Skilled Worker Visa - <u>https://www.gov.uk/skilled-worker-visa/your-job</u>

²³ Cancer Research UK, 25 July 2024, <u>The UK immigration system is holding us back in the fight to beat cancer.</u>

²⁴ GOV.UK, MAC, 16 May 2024, Independent report on rapid review of the Graduate route.

²⁵ <u>https://immi.homeaffairs.gov.au/visas/getting-a-visa/visa-listing/temporary-graduate-485/post-higher-education-work</u>

²⁶ <u>https://www.canada.ca/en/immigration-refugees-citizenship/services/study-canada/work/after-graduation.html</u>