

Russell Group submission to the BEIS committee inquiry on post-pandemic economic growth

July 2020

1. Summary

- 1.1 We recognise the scale of the challenge facing the UK in its economic recovery from the Covid-19 pandemic. As hubs of employment in their regions, dedicated to driving up skills, furthering UK research and catalysing innovation, Russell Group universities are ready to take a leading role in the UK's recovery from Covid-19; overcoming the virus and driving economic renewal in every region.
- 1.2 Russell Group universities will work with Government and other stakeholders to build on our country's strength as a science superpower and deliver social and economic benefits both nationally and for communities across the UK. The support for UK R&D that has already been announced will be essential in helping higher education institutions maintain research capacity and provide a foundation for rapid post-pandemic growth. Underpinning this emergency response with a longer-term commitment to sustainable research funding will help keep the UK as a world leader and address long-standing challenges around levelling up R&D intensity in every nation and region of the UK. The Government's new R&D roadmap is a positive step in that regard.
- 1.3 The Government should also look to grow influence globally by enabling the UK to participate in Horizon Europe as a fully associated country.
- 1.4 Revitalising the talent pipeline for high-level skills will be critical for the UK's economic recovery. Universities have a fundamental role to play in upskilling the post-pandemic workforce, meeting the forecast growth in demand for employees with graduate-level skills across all disciplines. Russell Group universities will also continue to work to boost the number of UK graduates with high-level technical skills. Funding for high-cost subjects, such as science and engineering, will be essential to ensure our universities can level up STEM graduate numbers and deliver on the skills needs of the UK's future knowledge economy. Government's investment through teaching grants should be sustained and, ideally, enhanced to ensure high-quality teaching provision can continue across the UK.
- 1.5 Attracting talent to the UK by ensuring immigration fees for highly skilled migrants are competitive – and that the visa process is smooth – will help the UK further grow its skills base. The Government should also consider additional measures, including through free trade negotiations, to grow the UK's position as a leading nation in higher education exports and maximise our global research collaborations.

2. Context

- 2.1 The Russell Group represents 24 leading UK universities which are committed to maintaining an outstanding teaching and learning experience, world-leading research, and unrivalled links with business and the public sector. Our universities generate £87bn per year for the economy and support over a quarter-million jobs across the UK, in addition to teaching a quarter of all undergraduates and four out of five doctors. We welcome the opportunity to contribute to the Committee's inquiry into the UK's economic growth following the Covid-19 pandemic.
- 2.2 Russell Group universities have played a leading role in the fight against Covid-19, from facilitating ground-breaking research on the virus, to producing new ventilator and testing technology, to providing community support and offering housing and facilities to healthcare

workers. Researchers at Oxford, Imperial, Bristol and Southampton, for instance, are carrying out vaccine trials and many of our universities have devoted laboratories to Covid-19 research. Russell Group universities have worked with partners across the private sector to respond rapidly to shortages of key medical equipment like ventilators and have helped boost coronavirus testing efforts. Thousands of our medical students have been supporting NHS staff and our universities have brought forward qualifications and trained new staff in their buildings for the NHS frontline.

- 2.3 The health impact of the pandemic in the UK has been enormous and the economic damage of Covid-19 on jobs and growth will also be profound. As hubs of employment in their regions, dedicated to driving up skills, furthering UK research and catalysing innovation, our universities will take a leading role in the UK's recovery from Covid-19; protecting health, supporting communities and driving economic renewal in every nation and region.

3. What core/guiding principles should the Government adopt/prioritise in its recovery package, and why?

- 3.1 The inquiry comes as the Government is shifting its focus from the measures required as part of its immediate, emergency response to the pandemic, to the interventions needed to secure longer-term economic growth. These will include those that allow the UK to play to its strengths, for example investing in sectors where the UK is a global leader, including science and research. It will also need to include interventions that enable the UK to grow its skill base and address long-standing challenges such as flatlining productivity in many regions. Focusing interventions in these areas will help boost the productive capacity of the UK economy and ensure we are better placed to react and respond to future economic challenges.
- 3.2 Within R&D, the Government's approach has been to address the short-term pressures facing the sector, before taking on longer-term challenges of sustainability; this is sensible. However, clarity around the timing and content of the Government's short-term interventions is key if they are to be effective, i.e. if they are to succeed in protecting the UK's research talent, R&D capital programmes and overall research activity. For example:
- (a) Key details on how universities could use the Coronavirus Job Retention Scheme came with only two working days' notice before the deadline closed for individuals to be identified.
 - (b) Government recently announced universities would be able to access a welcome package of grants and loans to protect research activity in the autumn, but there remain uncertainties around:
 - How much support will be available to individual UK universities
 - When universities will actually be able to draw on this support
 - The detailed terms and conditions which will be attached to any grants or loans¹
- 3.3 For financial planning purposes, this means universities are likely to continue to plan much as before: pausing some activities and making provision (or at least plans) for other measures in order to maintain short- to medium-term financial stability – a situation which the Government is seeking to avoid. A guiding principle for Government should therefore be to work more closely with the sector to ensure support and assurances are provided in a timely fashion, and that the terms and conditions of any support are developed in order to anticipate practical issues (such as implementation details and whether the nature of the support could create other problems – for example, the potential to breach existing banking covenants).
- 3.4 Short-term measures should also be accompanied with steps to put publicly funded R&D on a more sustainable footing for the future. At present, Research Council funding only supports

¹ <https://www.gov.uk/government/news/government-to-protect-uk-research-jobs-with-major-support-package>

74% of the full economic cost (FEC) of delivering research programmes². With charity funders of research already confirming significant cuts in investment³, looking again at the overall funding model for R&D will be crucial in ensuring UK R&D remains globally competitive and able to deliver the innovation and productivity gains needed to drive the post-Covid-19 recovery. The recent R&D Roadmap published by Government should be a positive step in this regard as it signals that issues such as FEC will be addressed, though the timing of these reforms will again be important.

- 3.5 The unprecedented scale and scope of this Government's intervention in response to the pandemic provides an opportunity to address long-standing problems that have restricted opportunities for growth. These include productivity gaps between the most productive and least productive regions of the UK. For example: gross value added per hour worked (GVA/hr) is a third higher in London than the national average, while the Northeast, Midlands, Yorkshire & Humber, Wales and Northern Ireland all have GVA/hr levels ranging between 11% and 17.5% below the national average.⁴
- 3.6 Closing these gaps will be crucial to levelling up wages and driving post-pandemic economic growth across the country. Measures that will help achieve this goal and support the economy more widely include investment in the UK skills base.
- 3.7 The Office for National Statistics estimates that around a fifth of the rise in productivity between 1994 and 2019 can be attributed to improvements in the quality of the workforce, especially those with higher education qualifications.⁵ This means more graduates in the labour market has led to an increase in productivity (or at the very least has helped to maintain levels of productivity while the UK has faced other significant pressures). A separate study by the National Institute for Economic and Social Research found that an accumulation of graduate skills is likely to be even more strongly correlated with productivity growth in future as a result of rapidly-developing technology in the workplace.⁶ This confirms earlier Government analysis which found that between 1994 and 2005 the accumulation of graduate skills was the driver of between 14-20% of GDP growth in the UK.⁷
- 3.8 As with the support package for researchers, a greater focus on higher skills will therefore serve a dual purpose: it will help close UK productivity gaps and raise growth in perpetuity. It will also provide opportunities for individuals whose prospects have been hit by the pandemic. We know young people and those at the start of their careers are impacted disproportionately by recessions. Increasing the options open to them will help mitigate the challenges they are facing and deliver sustained social mobility.

4. Whether the Government should prioritise certain sectors within its recovery package, and if so, what criteria should it use when making such decisions? What conditions, if any, should it attach to future support?

- 4.1 Government will need to focus its support on sectors that can drive economic recovery through skills and productivity growth in every region. The UK should look to work with its strengths and invest in areas with a proven track record for delivering economic returns. For example, UK research and higher education are sectors that deliver significant returns on investment:

² See Table 5 in Annual TRAC 2018-19 [Sector summary and analysis by TRAC peer group](#).

³ For instance, Cancer Research UK (CRUK) has announced a 5-10% reduction on existing CRUK awards, along with a statement that they will not fund new research for at least the next 6 months and expect their income to drop by 20-25%. See CRUK's [Covid-19: Open letter to cancer researchers](#).

⁴ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/regionalandsubregionalproductivityintheuk/february2019>

⁵ Written answer to a Parliamentary Question to Lord Duncan of Springbank, 7 January 2020

⁶ Graduates boost productivity, NIESR <https://www.niesr.ac.uk/blog/graduates-boost-productivity>

⁷ BIS 2013 the relationship between graduates and economic growth across countries

- (a) Every £1 of public money spent on R&D raises private sector output by 20p each year in perpetuity by raising the level of the UK knowledge base.⁸
- (b) For every £1 of public research funding they secure, UK universities deliver an average return of £9 to the UK economy. This includes the direct impact of university research and the impact of productivity spill-overs associated with their R&D.⁹

4.2 Government will also need to ensure that those in receipt of public money are accountable for how it is used. Universities are already transparent in the way they spend public funds and accountability is ensured through exercises like the Research Excellence Framework, which ensure spending decisions are based firmly on quality.

4.3 The drivers to attach conditions on future support will vary by sector, but Government will need to ensure these conditions do not hamper innovation and economic growth or serve as additional barriers to regional and local investment decision-making. One approach to ensure this would be to channel funding through trusted regional hubs, such as research-intensive universities, which can work with local partners to identify the needs of their communities and make decisions on the most impactful interventions. Russell Group universities are already working in this way to support their local economies. For example:

- (a) The University of Bristol leads an enterprise partnership with the universities of Bath, Bristol, Exeter, Southampton, and Surrey, that works with local councils and specialises in growing technology start-ups. It currently supports 80 ventures and has raised more than £1.8bn of investment and created £8.6 billion of economic impact to date – a figure which is set to rise to nearly £27 billion by 2030.
- (b) Queen’s University Belfast has been ranked as a top university for entrepreneurial impact and has supported the creation of nearly 100 technology start-ups, adding 2700 jobs to the regional economy. An additional 1800 roles have been created via a cutting-edge cybersecurity cluster based around Queen’s Institute of Electronics, Communications and Information Technology.

5. How can the Government best retain key skills and reskill and upskill the UK workforce to support the recovery and sustainable growth?

5.1 Investing in the talent pipeline for future high-level skills will be critical for the UK’s economic recovery. Before Covid-19, demand for graduates was growing, with nearly nine in ten (85%) businesses either maintaining or increasing their graduate recruitment.¹⁰ Now, more than ever, our universities have a key role to play in increasing the number of high-quality graduate-level employees and the pipeline of researchers who will drive social and economic recovery across the UK. Russell Group universities will also help drive up UK technical skills by delivering high-quality apprenticeships across a range of disciplines in partnership with local employers and FE colleges. Seventeen Russell Group universities already deliver degree apprenticeships, for example.

5.2 New Graduate Outcome Survey data underlines the contribution that our members make to the UK skills base: 88% of 2017/18 Russell Group first-degree graduates in full-time paid employment 15 months after completing their studies were in skilled roles, compared to a sector average of 77%. The figures also identified a postgraduate study skills premium, with 91% of Russell Group 2017/18 postgraduates in work securing high skilled roles.¹¹

⁸ Haskel J, Hughes A, Bascavusoglu-Moreau E (2014) The Economic Significance of the UK Science Base. A report for the Campaign for Science and Engineering

⁹ References to the economic impact of Russell Group universities draw on analysis produced for us by London Economics in November 2017: <https://russellgroup.ac.uk/news/economic-impact-of-russell-group-universities/>

¹⁰ CBI/Pearson Education and Skills Survey report 2019

¹¹ HESA [graduate outcomes survey](#), June 2020. Analysis performed by the Russell Group comparing graduate outcomes from member institutions to those from other HEIs.

- 5.3 Funding for high cost subjects such as science and engineering will be essential to ensure our universities can deliver on the skills needs of the UK's future knowledge economy. While a large part of the funding for undergraduate degrees is now paid for through tuition fees, Government investment plays a vital role in ensuring choice and quality for students and in promoting excellence. Unfortunately, erosion in funding over recent years is risking the ability of our institutions to train the next generation of skilled graduates.
- 5.4 The sector has seen real-terms fee income for undergraduate provision fall by more than 8% since 2012/13. As a result of frozen fee and grant income, deficits are continuing to increase in each of the undergraduate subject price groups at our universities. For example, our analysis has shown that lab-based subjects, such as Chemistry, Physics and Engineering are reporting average deficits of £1,750 per year per student in 2020/21.¹² The funding deficit is lower, but still present, for high-quality arts and humanities courses whose graduates are crucial to the future of the UK's world-leading creative industries. If frozen fee and direct Government investment levels persist until the middle of the coming decade, forecast inflation will mean that total income across all subjects will have fallen by a further 10% by 2024/25. This trajectory of falling investment will be accelerated if Government continues with plans to cut the teaching grant.¹³
- 5.5 Action is needed to address this gap and ensure that high quality teaching provision can continue at universities across the UK. Russell Group universities are determined to focus on academic excellence, but Government investment needs to be sustained and, ideally, enhanced to ensure it helps deliver funding more closely matched to the real cost of delivering undergraduate courses. At the same time, our universities are looking at lessons learnt from moving to online and blended teaching methods during the pandemic to understand where future provision can also be delivered in the most effective way.
- 5.6 A renewed focus on postgraduate research training would help strengthen the country's position as a research superpower and lay the foundations for future R&D-led growth and economic and social transformation. The UK will need a significant new pool of research talent in business, universities, the public and third sectors and the UK should be ambitious in this area. It will be important to ensure that a greater proportion of the costs of this training are met from public funds given the limited opportunity to secure matched funding from business and other partners at this time (note that postgraduate research training is currently funded at only 45% FEC¹⁴).
- 5.7 In addition to investing in training, we need to ensure we can retain talented graduates and researchers and can recruit talent from abroad. Securing the best teachers and researchers will help the UK further grow its skills base. For example:
- (a) Many staff in school language departments across the UK are EU nationals: almost 70% of state schools and 90% of independent schools have at least one teacher of languages who is a citizen of an EU Member State (excluding Ireland).¹⁵ Many of these teachers graduate from UK universities. Indeed, the high proportion of EU students on modern foreign language teacher training courses often makes these viable for home students: 30% of modern foreign language students studying teacher training at postgraduate level in 2019/20 were EEA nationals.¹⁶ With EU students facing international fee rates to study here, there is likely to be a decrease in EU nationals studying modern foreign

¹² Analysis based on TRACT (2018-19) costings data at peer group A institutions, which includes 22 of the 24 Russell Group universities

¹³ <https://www.officeforstudents.org.uk/news-blog-and-events/press-and-media/teaching-grant-budget-for-2020-21-set-out/>

¹⁴ https://www.officeforstudents.org.uk/media/fa2edd32-13b7-4d52-9761-94522e441e72/annual-trac_2018-19_sector-analysis.pdf

¹⁵ <https://www.britishcouncil.org/sites/default/files/language-trends-2019.pdf>

¹⁶ Department for Education, Initial teacher training trainee number census 2019 to 2020, table 9. Data on new entrants to postgraduate initial teacher training (in England) with a known nationality.

languages in the UK, which could threaten the provision of these courses in our universities and disrupt the pipeline of language teachers in schools.

- 5.8 Ensuring visa and other associated fees for highly skilled migrants are internationally competitive will help the UK continue to attract leading talent. It will also be important for the Home Office and the new Office for Talent to continue working with universities and other stakeholders to design and implement other elements of the UK's new visa system (including the proposed points-based system, new post-study work offer and Global Talent visa).
- 5.9 Changes to the UK immigration regime that have been announced recently are positive, and will help ensure the UK can continue to attract scientific talent from across the globe. Reforms to the skill and salary thresholds for skills visas will also help research intensive institutions to recruit internationally for a broader range of specialist roles essential to research. Plans to increase the number of people obtaining technical qualifications in the UK are welcome, but it will take time to deliver the skilled staff the UK needs. In the meantime, international technicians and other research staff will continue to play a fundamentally important role as we work to boost research intensity in every nation and region of the UK.

6. What opportunities does this provide to reset the economy to drive forward progress on broader Government priorities, including (but not limited to) Net Zero, the UK outside of the EU and the 'levelling up' agenda?

Levelling up agenda

- 6.1 Investing in place-based economic growth, in fundamental research, in key strategic science-based missions and in the talent pipeline for future high-level skills will boost our knowledge economy and help realise the 'levelling up' ambition. It should be remembered that excellent research has an impact right across the country, not just where it is funded.
- 6.2 In 2015/16, the economic impact of direct spending by Russell Group universities together with the spending of their staff, their suppliers and their international students in the wider economy was £27.2 billion, with £21.3 billion of this impact boosting communities outside of London. In the same year, Russell Group universities supported a total of 261,000 full-time equivalent jobs – more than the entire population of cities like Aberdeen and Plymouth. More than 200,000 of these jobs, supported through direct employment and the expenditure of universities, staff and international students, were based in towns and cities outside of London.¹⁷
- 6.3 Our universities invest significantly in their local communities and provide local leadership and coordination to bring together key stakeholders at city, regional, national and international level to champion regeneration and growth. For example:
 - (a) The University of Edinburgh's Science and Innovation Audit focusing on data-driven innovation is at the heart of their City Region Deal. The University is working to establish the region as the data capital of Europe, attracting investment, fuelling entrepreneurship and delivering inclusive growth.
 - (b) The University of Sheffield has transformed the old Orgreave site with its Advanced Manufacturing Research Centre, creating high value jobs and catalysing long-term investment from blue chip companies including McLaren, Boeing and Rolls-Royce.
 - (c) The University of Cambridge is working in partnership with local councils and the Local Enterprise Partnership having secured £1bn in funding to accelerate the building of thousands of new homes, underpin further growth in high-value jobs and create a fit-for-the-future transport network.

¹⁷ <http://www.russellgroup.ac.uk/news/economic-impact-of-russellgroup-universities/>

- 6.4 Our universities are also driving the growth of skills in their regions. Graduate outcomes data published this year has shown that more than half of all graduates remain in the region in which they studied five years after graduation.¹⁸ 70% of Russell Group graduates were working in regions outside of London five years after graduation including 10% in the North West, 8% in Yorkshire and the Humber and 7% in the West Midlands.¹⁹ This means that highly skilled university graduates are contributing to the prosperity of regions across the UK over the long-term.
- 6.5 The Government should focus its levelling up agenda by setting a target to boost productivity across the UK with the aim of strengthening the weakest regions and devolved nations while at the same time continuing to secure substantial growth in its strongest parts.
- 6.6 Research intensity, key infrastructure investments and the accumulation of graduate skills are essential to levelling up productivity which is why it is crucial that Government makes its commitment to double public R&D investment real and tangible with an ambitious 10-year plan, including clear milestones, that will boost business confidence to invest in the UK for the long-term. The aim should be to make the UK the partner of choice for innovative high value companies to grow and for international research collaborators to locate their new activities here, distributed throughout the UK.
- 6.7 As part of the levelling up agenda, the Government should simplify investment decision-making locally and regionally. One approach to achieving this would be through funding the UK's research-intensive universities to act as hubs for a substantial package of skills, R&D and innovation investment. Rather than specifying exactly how this funding should be spent, universities could set out individual plans based on local/regional expertise. For example, funds may be used to: enhance innovation capacity and skills, address inequalities, develop patient capital funds, act as a one stop shop for FDI, create regional innovation districts, or build on centres of genuinely world class research to create global advantage for the UK in multiple locations spread across the country. This funding should be made available to universities in all of our nations, not just the English regions, to act as a cohesive social and economic force for the UK as a whole while also delivering local transformation. Research-intensive universities have a proven track record in delivering targeted projects that address specific local social, health or economic challenges. By taking advantage of existing capacity, this approach would help Government ensure the economic benefits of funding choices are felt quickly in communities around the country.
- 6.8 Alongside work to boost regional growth, it will also important to identify pockets of deprivation in areas typically viewed as better off, to help ensure the specific needs of students, families and businesses facing social and economic challenges are addressed. Universities have a fundamental role to play in identifying and understanding the needs of these groups in their local areas and removing barriers to educational and economic opportunity.

Net zero

- 6.9 The UK's research capacity can and must be put towards developing the technologies, and understanding the behaviours, needed to deliver a sustainable future – including zero-carbon. Russell Group universities have set out a joint commitment to tackle climate change through research, teaching and more sustainable practices²⁰ and are working with Government, businesses, students and wider society to educate and turn breakthroughs and

¹⁸ Graduate Outcomes (LEO) data, Department for Education, June 2020 relating to tax year 17/18. Data includes UK domiciled HEI graduates (excluding Northern Ireland) five years after graduation.

¹⁹ Graduate Outcomes (LEO) data, Department for Education, June 2020 relating to tax year 17/18. Analysis of UK-domiciled graduates (excluding Northern Ireland) and their employment by region of residence five years after graduation from Russell Group universities (excluding Northern Ireland).

²⁰ <https://russellgroup.ac.uk/news/russell-group-publishes-joint-statement-on-environmental-sustainability/>

discoveries into real-world solutions. The UK has an opportunity to be a world leader in clean growth and must maximise on the potential of research and innovation to achieve this.

- 6.10 The Jet-Zero initiative announced recently is a good example of the challenge that can bring our best research and industry minds together to solve a particular issue, but there are many others too where the UK can take a lead in green growth. For example, these include large scale carbon capture and storage, electric vehicle systems and powertrains, whole life cycle production processes and, crucially, the behavioural and social science dimensions needed to secure widespread adoption and 'stickiness' of new technologies and ways of working.

The UK outside of the EU

- 6.11 Universities in the UK are world-leading, known for the quality of both their teaching and research. In leaving the EU, we should look to protect and build on this reputation and strengthen our education and research links globally. This will be ever more important for the post-pandemic recovery of our economy and society.
- 6.12 A key part of this agenda will be skills-based – as referenced elsewhere in this response.
- 6.13 Now also is the opportunity to reimagine the UK's research funding landscape, both to capitalise on our country's strengths and ensure we can continue to benefit from research collaboration networks around the world. An important strand of this collaboration will be our links with EU partners and our participation in the world's largest programme for multi-country collaborative R&D and research excellence, Horizon Europe, as a fully associated country. Government should ring-fence sufficient funding to enable this or, if full participation is not possible, to allow the UK to participate as a third country along with a commitment to invest in new frameworks to stimulate global research and innovation collaboration and attract the world's best researchers. These new frameworks will need to be operationalised quickly for the UK to get maximum advantage and our universities will look to work closely with Government to realise these ambitions.
- 6.14 We support Government's aim to launch a UK Advanced Research Projects Agency (ARPA) for high-risk, high-reward, research and innovation with an early round of missions tackling issues where the UK can and should take a global lead. Funding for each mission should be substantial: covering the full costs of projects and at a scale large enough to make a real difference and rapid progress. Alongside the development of ARPA, Government should commit to transforming public procurement to create a dynamic 'innovation pull' effect for the UK. It should further mandate that a proportion of all public procurement spend should be on truly innovative solutions and support public sector bodies (such as the NHS) to demonstrate new advances at scale – in turn, helping to build a wider culture of openness to change in technology.

Societal wellbeing

- 6.15 Reporting so far suggests that the pandemic is already having a serious impact on mental health and wellbeing in the UK and around the world. These impacts are likely to be both substantial and long-term. They affect individuals, their families and the wider community – and, in turn, this also creates the likelihood of a lasting negative economic impact if appropriate support is not available. Universities in the UK are at the forefront of mental health research globally with our partners in the NHS and third sector. We will continue to work with them to develop and deliver affective interventions as the true impact of the pandemic becomes known.
- 6.16 Equally, our universities are often at the heart of city, regional and national cultural activities and institutions – such as museums, art galleries, theatres and sport etc. – and we are working hard to ensure they remain viable. Again, they can have an economic value in their

own right, but more important is the wider contribution they make to society and culture right across the country – as an important anchor for health and wellbeing during these unprecedented times.

7. What opportunities exist for the UK economy post Brexit and the pandemic for export growth?

- 7.1 Higher education is an important export for the UK and an area of potential renewed growth following the pandemic. The total net economic impact associated with the 100,000 non-UK domiciled students who started courses at Russell Group universities in 2015/16 is £8.82 billion.²¹ Across all higher education institutions, each cohort of international students generates a net impact of around £20 billion during their studies²² and, for those who stay in the UK to work, around £3 billion after graduation.²³
- 7.2 Overall, around three in 10 students at Russell Group universities are from outside of the UK (the proportion at postgraduate level is higher than at undergraduate level). After choosing to study here, international students bring huge benefits to the country – culturally and socially, in terms of new ideas and skills, financially through their tuition fees, and in terms of soft power and networks that are absolutely vital to our future international relations, trade and investment potential. Continued growth in international students has helped universities expand provision for domestic students, support world leading research, boost communities and increase UK soft power.
- 7.3 The impact of Covid-19 is wide-ranging but will inevitably see fewer students studying abroad (at least over the next few years), and the global competition for those students will be fierce. Safety will be a factor on the minds of many, so it is critical the Government works overseas, and in collaboration with the sector, to highlight the UK as a safe destination for international students. To protect Britain's hard-won reputation as one of the best places to study a degree or undertake a postgraduate course, the Russell Group is also proposing three actions that the Government could prioritise as the country starts to come out of lockdown:
- (a) To develop and deliver a joint international marketing campaign to show that the UK and its world-class universities are open for business
 - (b) Continuing, and where possible enhancing, visa reforms to ensure Britain remains a globally attractive destination for students
 - (c) Seeking global consensus on the recognition of online courses
- 7.4 We welcome plans for a new graduate immigration route that will increase the length of time international students can remain in the UK after completing their studies for up to three years (3 years for PhD students and 2 years for other students). This is a significant improvement to the current provision that is internationally competitive and will boost efforts to increase recruitment in key markets.
- 7.5 We are at a critical moment for the future of UK educational exports. In addition to the above measures we should look to identify opportunities created through free trade deals to secure our position as a leading nation in the export of quality higher education. Government should work with universities ahead of negotiations to identify these opportunities, as well as those which allow us to grow a stronger research environment in the UK.

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²¹ London Economics, The economic impact of Russell Group universities, October 2017

²² London Economics, The costs and benefits of international students by parliamentary constituency, January 2018

²³ London Economics, March 2019, The UK's tax revenues from international students post-graduation, a report for HEPI and Kaplan International Pathway