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West Midlands Combined Universities (WMCU) written evidence to the APPG Inquiry on International Students

1. Executive Summary

- 1.1 This evidence is submitted on behalf of [The West Midlands Combined Universities](#) (WMCU) and responds to ***the costs and benefits of international students participating in the regional and national labour market to ensure they have a sustainable role in supporting and building local or skilled industry post-study, and the educational opportunities and challenges of welcoming international students into our universities.***
- 1.2 The WMCU is a formal partnership between Birmingham City University, Coventry University and The University of Wolverhampton, which have joined forces to complement the West Midlands Combined Authority (WMCA) strategy - which includes one of Europe's fastest growing cities. Working with Local Authorities, Local Enterprise Partnerships and employers to ensure courses align with local economic and social priorities, the WMCU have a combined total revenue of £600 million with approximately 70,000 students reflecting a diverse and inclusive community of international and home students that contribute to the local, regional and national economy.
- 1.3 Recent analysis has identified the important contribution that international students make to both national GDP and export earnings; with calculations of regional economic impact identifying international students' off-campus expenditure in the West Midlands, some £478 million in 2014/15, generating £544 million of gross output - a £268 million GVA contribution to GDP, and 3,916 full-time equivalent jobs in the West Midlands region. The second highest gross output and GDP contribution level of International Students in England, behind London only.
- 1.4 As our submission demonstrates, the WMCU and West Midlands region already benefit significantly from the recruitment of international students through graduate start-ups as examples from Birmingham City University's [STEAMhouse](#) innovation centre and Coventry University's incubator programme demonstrate; as well as cultural and research capital, as Wolverhampton University's work with Cancer Research highlights.
- 1.5 **Key challenges** facing international students in accessing UK HE are: **securing funding (at application stage) for fees and maintenance during their degree and achieving the required average salary for graduate careers to move from a Tier 4 to a Tier 2 visa.**

1.6 In conclusion, we recommend changes to the eligibility criteria for Tier 2 and 4 visas as follows:

Tier 2 visa:

- The inquiry should advise that average salaries for the Tier 2 visa be reassessed yearly to assure these reflect current market conditions faced by graduates.

Tier 4 visa:

- The inquiry should challenge the Government to lower the required maintenance threshold to the current UK student loan maintenance figure, creating parity for students attending university. A tolerance of 10% in the maintenance threshold would also be beneficial to allow for currency fluctuations which are out of student's control. A key example of effect of currency fluctuations can be seen in the crash of the value of the Rupee in 2013, which saw Indian students denied access to the UKⁱ.

2. Introduction

2.1 The WMCU is a formal and legal partnership between Birmingham City University, Coventry University and the University of Wolverhampton. As three leading modern West Midlands' universities, we have joined forces to complement the West Midlands Combined Authority (WMCA) strategy, which includes one of Europe's fastest growing citiesⁱⁱ. It is our ambition to:

- Fill predicted nursing shortages in the region by offering flexible, region-wide courses tailored to skills needs;
- Close the skills gap in the automotive sector by working with local businesses to provide higher apprenticeships alongside existing degree programmes;
- Retrain current industry sectors with new skills and in new technologies, as well as inspire young people to follow careers in these areas;
- Encourage cross-pollination of knowledge and ideas through applied research collaborations to bring forward innovations in priority sectors; and,
- Combine the institutions' assets and expertise to improve the quality of what each university is already able to offer individually.

2.2 The WMCU have a combined total revenue of £600 million with approximately 70,000 students reflecting a diverse and inclusive community of international and home students, which remain within and contribute to the local economy. All three universities work with Local Authorities, Local Enterprise Partnerships and employers, making sure that our courses align with local economic and social priorities; each with an integral role as anchor institutions for growth and prosperity within the West Midlands region and beyond.

3. Response to Specific Inquiry Questions

What are the challenges and benefits of welcoming international students into our universities?

3.1 Recent analysis has identified the important contribution that international students make to both national GDP and export earnings but also highlighted the value of international students *"beyond monetary outcomes, adding value to both the experience of UK students and the UK's global soft power"*ⁱⁱⁱ.

3.2 The WMCU has a strong track record of welcoming and supporting international students. Maintaining the ability (and agility) to recruit appropriately qualified international students is crucial if universities, and the UK economy, are to retain the social and economic benefits that

international students bring. International students make a significant contribution to the WMCU. While their fees are an important revenue source, they also add significantly to the vibrancy of campus life, bringing a diverse and varied perspective to the home learning environment.

Birmingham City University

3.3 BCU international graduates contribute significantly to the creative arts communities in the city. One such contributor, sponsored by BCU under the Tier 1 (Graduate Entrepreneur) scheme was an international creative arts graduate, operatic soprano Beibei Wang. Wang has set up an initiative to bridge the gap between musical education and careers, [named the East – West Arts Initiative](#). Beibei Wang, from Shenzhen in China, graduated from the [Royal Birmingham Conservatoire](#), part of Birmingham City University, with an MA in Music in 2012. As part of East-West Arts Initiative, Beibei is actively discovering new markets for singers, by introducing western singers into China and ensuring Chinese performers are receiving exposure in the UK.

3.4 Birmingham City University's international postgraduate students are actively participating in efforts to share professional healthcare practice both in their home nation and in the UK. In December 2017, Birmingham City University's Faculty of Health, Education and Life Sciences signed a framework agreement with Guangdong Health Commission (GHC). This agreement enables qualified in-services nurses and relevant allied public health professionals in Guangdong to undertake a CPD based one-year full-time course at BCU the MSc Professional Practice – Healthcare. The Chinese Government have provided funding for this long-term strategic project which aims to improve the design, delivery and leadership of healthcare services to meet the rising expectations of local populations. The first cohort commenced the programme in January 2018 with a further 37 joining in September 2018 with up to 30 due to start in January 2019. Throughout their time in the UK, the experienced healthcare professionals from Guangdong studying with Birmingham City University will be gaining greater understanding of the UK's National Health Service, as well as completing a research dissertation that is aimed at enabling the nurses to undertake study that they can then implement when back home in China. The long term aim of the project is to create a Global Centre for Healthcare Transformation, as a joint venture between the Guangdong Health Commission and Birmingham City University.

Coventry University

3.5 At Coventry University students from overseas play an active role in the local community through voluntary work. While many students identify their own opportunities, over 350 non-UK students registered to volunteer via a database managed by Coventry University's Student Union. Activity included gardening in a local baby hospice, helping in an animal sanctuary and volunteering in a city food bank. Other students have helped older people get to grips with their digital devices, at Gen2Gen, ICT project based at the Central Library.

Wolverhampton University

3.6 In November 2017, a University of Wolverhampton student scooped an award for her work into cancer research. Ogechi Nkeonye, originally from Nigeria and studying for a PhD in Biomedical Science in the Faculty of Science and Engineering, was presented with the award along with a £250 bursary by the National Cancer Research Institute (NCRI) at its national conference in Liverpool. The award was for her work as part of the cancer research team which is investigating the effectiveness of using a treatment for alcoholism, Disulfiram, to treat pancreatic cancer. Ogechi presented some of her work at the conference.

Ogechi said: “I’m blessed to be able to work as part of a very supportive team of committed and dedicated individuals. I work in the laboratory all week and am already seeing some very positive results. I’m honoured to have received this recognition from the National Cancer Research Institute and it was wonderful to profile the work of the team on a national platform.” The team is currently looking at whether Disulfiram can be used to effectively treat pancreatic cancer after the University was awarded more than £73,000 by Pancreatic Cancer UK.

- 3.7 However a **key challenge in accessing UK HE relates to securing funding (at application stage) for fees and maintenance in advance of their degree.** The current requirement under a Tier 4 that a student must show in advance that they have £1,015 per month (£9,135 per academic year at least, assuming a nine month academic year - outside of London) in their accounts in advance of the beginning of the academic year to show that that money can be used for maintenance, is prohibitive for many potential students who do not have access to government backed loans. This is more than the Government provides to home students in the form of maintenance loans. The inquiry should consider asking the Government to provide parity in the thresholds to create a more equitable system for students.
- 3.8 Furthermore, the money must stay at the required level for 28 days - unexpected transactions which have changed the levels of funds is a common reason for visa refusal. The Tier 4 visa process could be made more accommodating for international students if this maintenance threshold had a 10% tolerance to avoid denial of access caused by currency fluctuations.

What are the costs and benefits of international students participating in the regional and national labour market and how could we ensure they have a sustainable role in supporting and building local or skilled industry post-study?

- 3.9 Calculations of regional economic impact^{iv} have identified international students’ off-campus expenditure in the West Midlands at some £478 million in 2014/15, generating £544 million of gross output - a £268 million GVA contribution to GDP, and 3,916 full-time equivalent jobs in the West Midlands region. The second highest gross output and GDP contribution level of International Students in England, behind London only.
- 3.10 All three WMCU institutions have sponsored international graduates under the Tier 1 (Graduate Entrepreneur) visa. These graduates have sought to contribute to the UK economy as well as securing their own successes. The economic value of international students is exemplified by WMCUs student graduate start-ups, the development of employability with global opportunities, and in the support for local and regional economies.

Birmingham City University

- 3.11 [Birmingham based watch-maker Dennis Chen](#) successfully completed [BA \(Hons\) Marketing](#) degree at Birmingham City University and remained at the institution to study for an [MA in Visual Communication \(Graphic Design\)](#) before establishing [Blenheim Watch](#) in Birmingham. Through Birmingham City University’s [STEAMhouse](#) open innovation centre, Dennis accessed 3D printing facilities to create a prototype for his first watch and then launched a Kickstarter campaign to raise funds. The Chronomaster Pilot Watch was made possible through the crowdfunding platform and was inspired by the Blenheim Bomber, an iconic WW2 plane. In 2017, Chen Dennis successfully applied for a Tier 1 (Entrepreneur) visa, which allows him to continue his plans to grow and develop his business over the next three years. Plans for development of the business include opening an assembly studio in Birmingham, to cut down the time it takes to create his watches and also enhance the quality of the finished product. He

is also looking at launching two more crowdfunding campaigns to create a diver's watch with in-built smart technology.

Coventry University

3.12 The University's incubator programme has supported nearly 40 students to develop their own companies through the Graduate Entrepreneur Scheme. 26 such companies are currently trading. Seven of these students now have a Tier 1 Entrepreneur Visa and are no longer sponsored by the University. In 2017 Coventry University staff member, Summayyah Hussain who developed the Tier 1 incubator programme was nominated for Business Manager of the Year at the annual CUBO (College and University Business Officers) awards in recognition of her work to help international graduates launch businesses in the UK.

Case study - Amir Daneshvar, International Business Research & Consulting Group Ltd.

I came to Coventry University from my home in Iran to study International Business. After my graduation, I was looking for an opportunity to set up my own company. Through the Tier 1 Graduate Entrepreneur programme, the Enterprise Hub helped me on the path to my dream. I was made to feel very welcome from the outset and throughout the application process.

I was working very hard; running a business in a new environment is not easy. The Enterprise Hub helped me to find the gap in the market. They helped me to shape my idea, register my company, and run it in the right way. I am still here and I use the office space. During my journey there were plenty of times that I faced challenges, and the Enterprise Hub has always been there to help solve my problems.

Wolverhampton University

3.13 Former University of Wolverhampton business degree student, Hervé Mallet was appointed as President and Chief Executive of McInnis Cement in December 2016. McInnis Cement is a privately-held Company with corporate headquarters in Quebec, Canada, and United States headquarters in Stamford, Connecticut. The Company's plant in Port-Daniel-Gascons, Canada is one of the largest industrial projects currently under construction in eastern North America and McInnis is the first cement company to build a new plant that will serve Eastern Canada and New England in more than 50 years. McInnis Cement is constructing a deep-water marine terminal, adjacent to the plant, with plans to open other terminals strategically located in the U.S. and Canada. This will allow products to be shipped quickly and efficiently to markets along the East Coast and the entire perimeter of the Atlantic Ocean.

The appointment is the result of an international recruitment in the summer of 2015. With an outstanding track record in the industrial sector, Mr Mallet has considerable experience in sales, marketing and operations. He was until recently Executive Vice-President – North America for Dynacast, a manufacturing company with 23 plants and 6,000 employees worldwide. As such, he oversaw eight production facilities in North America, delivering performances two times greater than the industry average.

3.14 However, key challenges remain for international students who wish to pursue a graduate career or build a business post-graduation, and there is more that the Government can do to assist those who wish to stay and invest in the UK economy.

Transitioning from a student (Tier 4) visa to a work (Tier 2) visa after graduation

3.15 The requirements for the Tier 2 visa, makes it difficult for students to build graduate careers in the UK, as many entry level "graduate" roles are below the required salary threshold in many sectors - the average salary required is £30,000^v and above. Whilst recognising the codes of

practice and average salaries in place for professions^{vi}, it is important to note that many of the SOC code professions used for visa requirements have not been updated since 2014, and there would be benefit in updating salary thresholds annually to accurately reflect current market conditions.

4. Recommendations

Tier 2 visa:

1. The inquiry should advise that average salaries for the Tier 2 visa be reassessed yearly to assure these reflect current market conditions faced by graduates.

Tier 4 visa:

1. The inquiry should challenge the Government to lower the required maintenance threshold to the current UK student loan maintenance figure, creating parity for students attending university. A tolerance of 10% in the maintenance threshold would also be beneficial to allow for currency fluctuations which are out of student's control. A key example of effect of currency fluctuations can be seen in the crash of the value of the Rupee in 2013, which saw Indian students denied access to the UK^{vii}.

References:

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- ⁱ <https://www.timeshighereducation.com/news/indian-student-denied-entry-for-want-of-20/2007980.article>
 - ⁱⁱ Deloitte Real Estate Crane Survey (2017) identified Birmingham as one of the fastest-growing cities in Europe.
 - ⁱⁱⁱ UUK Report on the Economic Impact of International Students (6 March 2017).
 - ^{iv} <https://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2017/briefing-economic-impact-international-students.pdf>
 - ^v <https://www.gov.uk/tier-2-general/eligibility>
 - ^{vi} <https://www.gov.uk/guidance/immigration-rules/immigration-rules-appendix-j-codes-of-practice-for-skilled-work>
 - ^{vii} <https://www.timeshighereducation.com/news/indian-student-denied-entry-for-want-of-20/2007980.article>