

Projected Demand for Places at Higher Education Institutions in London

Intelligence Update 13-2011

INTRODUCTION

London's position as a national and international centre for higher education is undoubted. In UCL, Imperial, Kings and the LSE the capital has universities of international repute – genuine magnets for both domestic and overseas talent. Testimony to this is that almost one in five students attending Higher Education Institutions (HEIs) in the UK and one in four Non-UK domiciled students are enrolled in the capital.

Higher Education is a policy area in which the Government has been active. The Home Secretary's recent proposals in *The Student Immigration System*¹ stressed the need to address non-economic routes of migration into the UK. Whilst acknowledging the considerable contribution made to HEIs by international students (£2.2bn in tuition fees across the UK as a whole in 2008/09), the proposals emphasise the need to ensure overseas students who enter on a student visa genuinely come here to study, not to work or with a view to settling. Among proposals which will affect future demand for places from overseas students implemented since the consultation are:

- the introduction of higher English language requirements for incoming students,
- limitations to the amount of international students education providers can accept,
- standards that education providers need to meet before they can accept new international students and restricting applicants to study one course only.

Such policy initiatives sit within the wider context of changes to tuition fees for domestic students, and more specific to London, attracting and keeping academic talent to grow research and development capacity, which will ultimately ensure London's future competitiveness.

Though originally produced to help inform the London Plan, it is anticipated that this analysis would provide a useful insight for those planning for the future of higher education in London and considering any of the following:

- how London uses its academic institutions to remain competitive
- demand for university places in London and admissions policy in a competitive market place
- how changes to tuition fees policy for domestic students are affecting the take up of places at HEIs in the capital
- immigration policy

This analysis

This analysis uses data derived from the Higher Education Statistics Agency's (HESA) annual publication *Students in Higher Education Institutions* to examine the current number of students at London HEIs by domicile. It then goes on to make "on current trend" projections of future numbers of students at HEIs in London. It is important to note that the effect of the above contextual factors or indeed other policies will have an effect on actual future demand for places at HEIs. However, these are not factored into these projections.

Trends are established on the basis of a rolling average calculated for separate and (mainly) four-year intervals over the period 1995-96 to 2009-10. The point of the rolling average is to iron out an atypical 'blip' in student numbers that may occur in a single year.

Ratios can first be calculated for each pair of years, starting with the ratio of number of, for example, undergraduates in 1996-97 to the number of number of undergraduates in 1995-96, then the ratio of the number of undergraduates in 1997-98 to the number of undergraduates in 1996-97, and so up to the ratio of the number of undergraduates in 2009-10 to the number of undergraduates in 2008-9. For data beginning in 1995-96, that process produces 14 ratios.

A rolling average is then calculated as the average of

((the average of the 1st, 2nd, 3rd, 4th and 5th ratios) (the average of the 2nd, 3rd, 4th, 5th and 6th ratios) and so on incrementally until (the average of the 10th, 11th, 12, 13th and 14th ratios))

Calculating a high ratio simply involves repeating that process but taking the highest of those rolling averages. Similarly, calculating a low ratio involves repeating the process but asking for the lowest of the averages. Those ratios are then applied to the most recent year of 'actual' student numbers to produce a projection for the coming year, and are then re-applied to the projected number to produce a projection for the following year.

A more detailed description of the methods used to generate the following projections is available. Indeed, a more detailed version of this report, along with tables detailing the projections by single year are available on request.

KEY FINDINGS

- In 2009-10, London accounted for 18 per cent of all students attending HEIs in the UK.
- Overseas students studying in London accounted for 25 per cent of the total overseas student population attending HEIs in the UK.
- On existing trends, UK domiciled full-time undergraduate numbers are projected to increase by 43,500 (27 per cent) between 2009-10 and 2021-22. Non-EU full-time undergraduates are projected to increase by 27,500 (103 per cent) over the same period.
- UK domiciled full-time post-graduate numbers are projected to increase by 21,000 (67 per cent) and Non-EU full-time post-graduate numbers by 46,500 (143 per cent) over the period 2010-2011 to 2021-22.
- Data for students from EU countries other than the UK are less reliable in terms of existing trends, particularly for undergraduates. The average projection for undergraduates shows little change in numbers over the projection period.
- “Other EU” students currently account for 15 per cent of postgraduates in London. This share is projected to remain unchanged by 2021-22, despite an increase of 13,000 in absolute terms.
- On current trends, the rate of increase is projected to be higher among overseas students (particularly non-EU) than among domestic students. Overseas students would therefore play an increasingly important part in higher education in London. This applies in both undergraduate and postgraduate contexts.

MAIN FINDINGS

London’s position in the national context

Table 1 shows the percentage share of students attending Higher Education Institutions in the UK. London has the highest share of any region or UK constituent country at 18 per cent, seven percentage points more than the next closest region the North East. London’s share is even larger among overseas students. One in four overseas students attending Higher Education Institutions in the UK do so in London. This rate is broadly similar regardless of whether they are domiciled in or outside the EU.

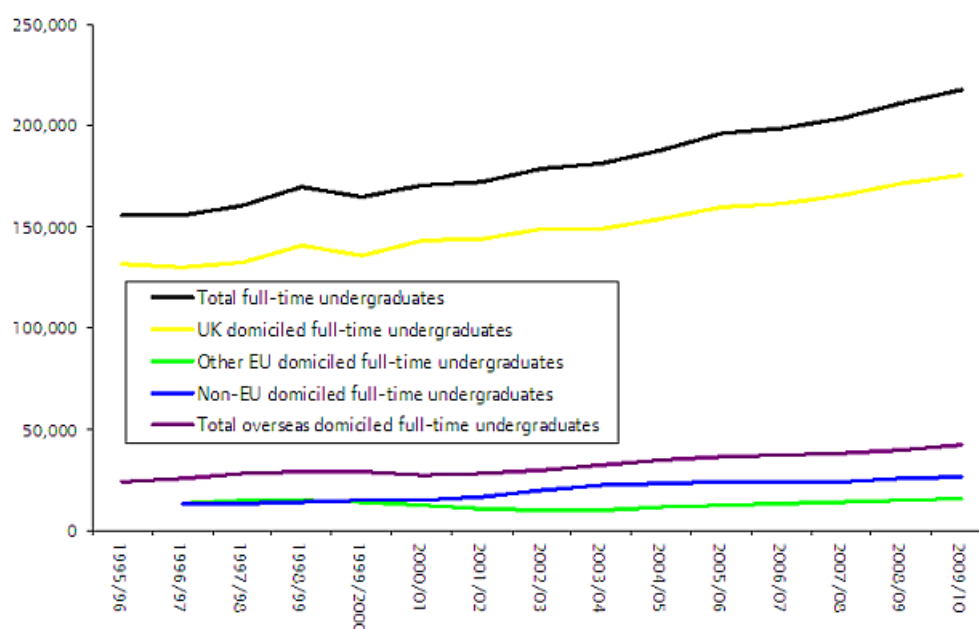
Table 1: Share of total number of students attending Higher Education Institutions in the UK, 2009-10

	UK domiciled	Other EU domiciled	Non-Eu Domiciled	Total
North East	5	3	6	5
North West	12	7	8	11
Yorkshire and the Humber	9	6	8	9
East Midlands	7	5	6	7
West Midlands	9	7	9	8
East of England	6	7	7	6
Greater London	17	26	25	18
South East	10	12	9	10
South West	8	5	5	7
				0
England	82	78	84	82
Wales	6	5	6	6
Scotland	10	13	9	10
Northern Ireland	2	3	1	2
	0	0	0	0
UK totals	100	100	100	100

Source: *Students in Higher Education Institutions 2009/10*, Higher Education Statistics Agency

Projecting Demand for Undergraduate Places in Higher Education Institutions

Figure 1 shows the historic trend in the number of London full-time undergraduates. The overall trend has been buoyant, largely as a result of an increase in the number of UK domiciled students and, to a lesser extent, as the result of an increase in the number of full-time undergraduates from non-EU countries.

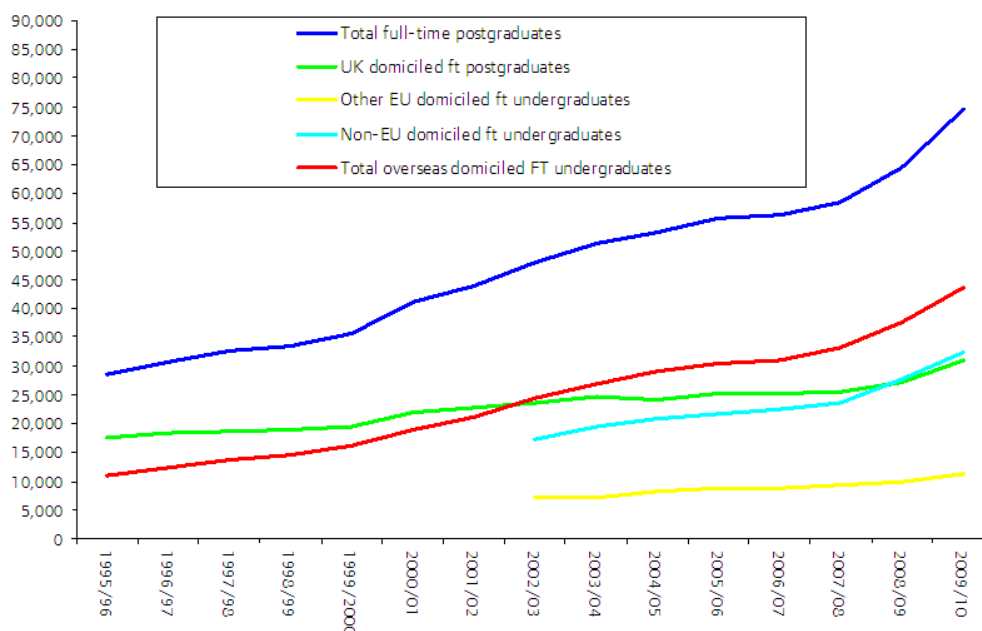
Figure 1: Full-time undergraduate students at HEIs, 1995-96 to 2009-10

Source: *Students in Higher Education Institutions 2009/10*, Higher Education Statistics Agency

The number of full-time postgraduate students, shown in Figure 2, also increased over the same period. In this case, the major source of change was an increase in the number of overseas students.

Up to 2002-03 HESA figures reported in *Students in Higher Education Institutions* did not distinguish between students who were normally domiciled in the EU other than the UK and those who were normally domiciled outside the EU. However it is clear from that from 2002-03 there was an increase in both the numbers of UK domiciled full-time postgraduates and in the number of non-EU domiciled full-time postgraduates, with the latter increasing at the fastest rate.

Figure 2: Full-time postgraduate students at London HEIs, 1995-96 to 2009-10



Source: *Students in Higher Education Institutions 2009/10*, Higher Education Statistics Agency

On current trends London’s HEIs could expect to see a rise of 31 per cent in total full-time undergraduate places, equivalent to an extra 67,000 students. UK domiciled full-time undergraduates would increase by 27 per cent, ‘other EU’ students by 2 per cent. Using this method of projection, the Number of Non-EU students would increase by 27,500 students, more than doubling the 2009/10 number in London (Table 2).

Table 2: Actual and projected demand for full-time undergraduate places at London HEIs

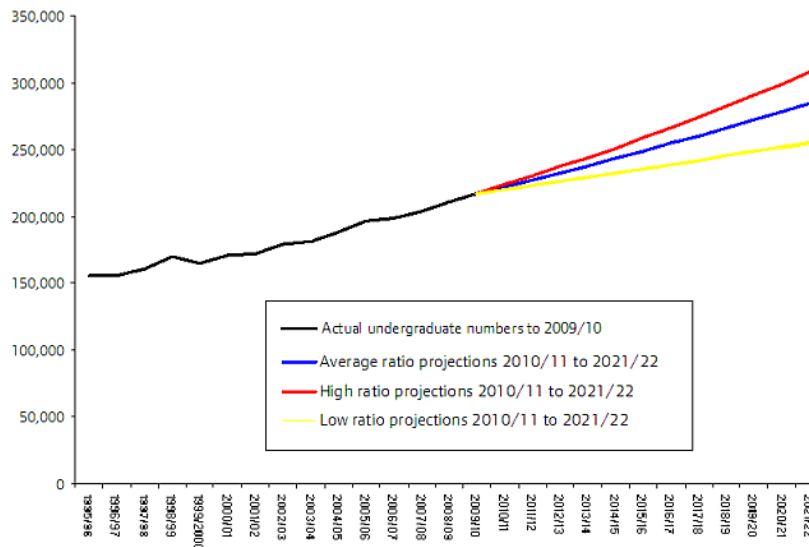
	UK Full-time undergraduates	‘Other EU’ domiciled full-time undergraduates	Non-EU’ domiciled full-time undergraduates	Total full-time undergraduates
Actual (2009-10)	175260	15405	26680	217355
Projected (2021-22)	222212	15728	54148	284668
% increase	27	2	103	31

Source: *Students in Higher Education Institutions 2009/10*, Higher Education Statistics Agency

Figures 3 and 4 combine the historic record of student numbers with projections to the academic year 2011-12. These charts show ‘high’, ‘average’ and ‘low’ projections. Allowing for the caveat about the impact of policy, **for most purposes average ratio projections are likely to provide the best guide** to future demand unless there are good reasons for thinking otherwise.

Figure 3 projects numbers of full-time undergraduates. Each of the scenarios (high, average and low) point to an increase in number, although in the case of the 'low' projections, at a slower rate than in the more recent past.

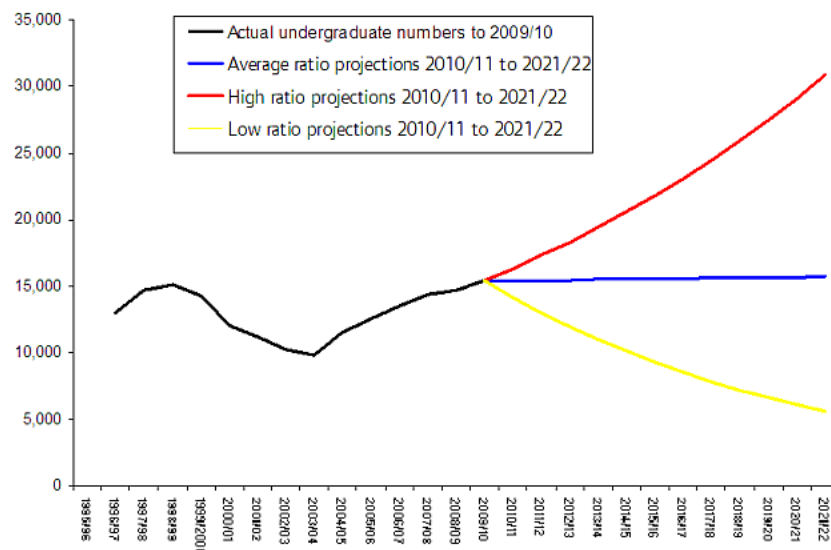
Figure 3: Actual and projected numbers of full-time undergraduates at London HEIs, 1995-96 to 2021-22



Source: *Students in Higher Education Institutions 2009/10*, Higher Education Statistics Agency

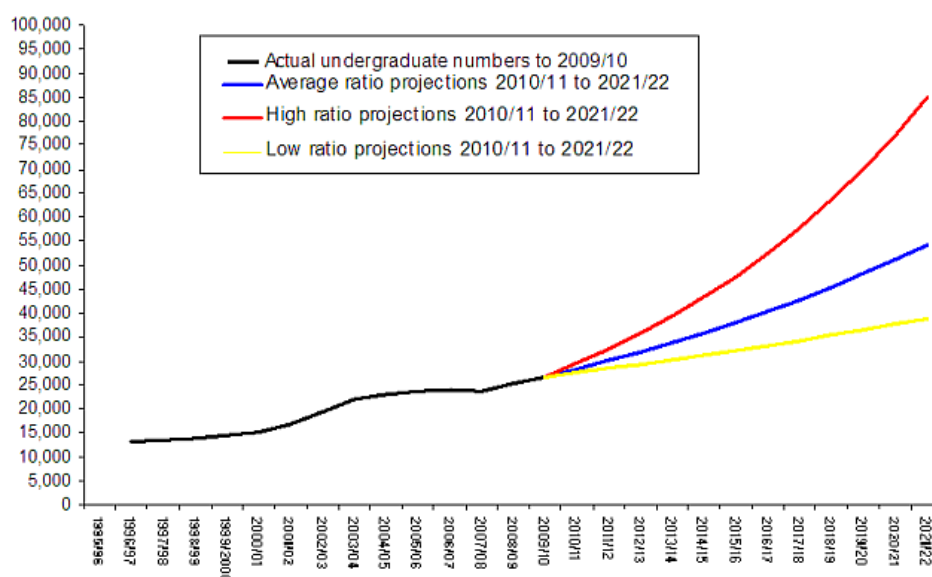
Figures 4 and 5 point to the projected increase in the number of 'Other EU' and 'Non-EU' full-time undergraduates at London HEIs. Again reflecting past trends, the anticipated rate of increase is higher amongst 'overseas' students than amongst UK domiciled students, and the overall conclusion must be that on current trend this group will potentially play an increasingly important part in higher education in London.

Figure 4: Actual and projected numbers of 'Other EU' domiciled full-time undergraduates at London HEIs, 1995-96 to 2021-22



Source: *Students in Higher Education Institutions 2009/10*, Higher Education Statistics Agency

Figure 5: Actual and projected numbers of 'Non-EU' domiciled full-time undergraduates at London HEIs, 1995-96 to 2021-22



Source: *Students in Higher Education Institutions 2009/10*, Higher Education Statistics Agency

Projecting Demand for Postgraduate Places in Higher Education Institutions

An extrapolation of current trends points to an overall increase of almost 100,000 postgraduate students at HEIs in London between 2009/10 and 2021-22, equivalent to an increase of 131 per cent. The growth rate of both Other EU and Non-EU students outstrips that for those domiciled in the UK at 112 and 143 per cent compared to 67 per cent respectively.

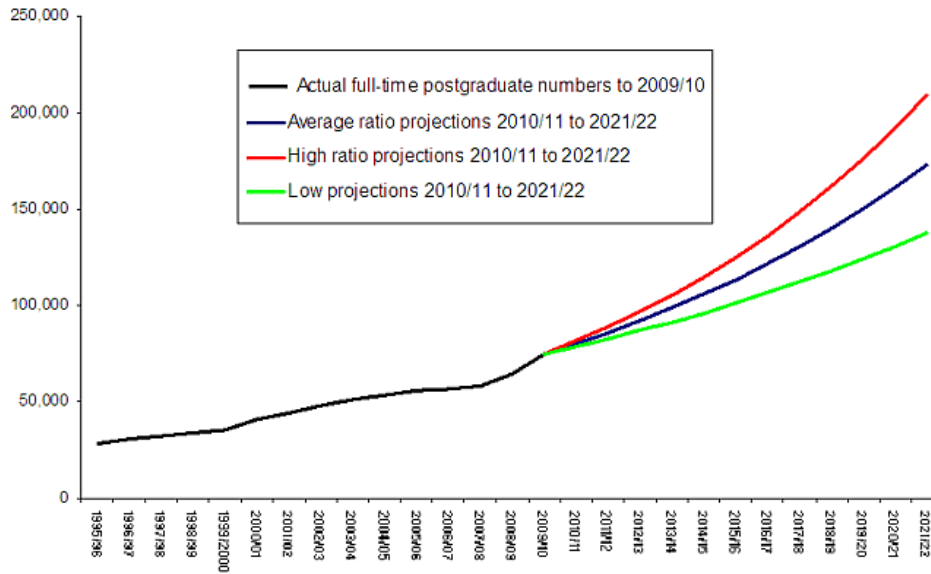
Table 3: Actual and projected demand for full-time postgraduate places at London HEIs

	UK Full-time postgraduates	'Other EU' domiciled full-time postgraduates	Non-EU' domiciled full-time postgraduates	Total full-time postgraduates
Actual (2009-10)	30990	11355	32365	74725
Projected(2021-22)	51839	24065	78807	172632
% increase	67	112	143	131

Source: *Students in Higher Education Institutions 2009/10*, Higher Education Statistics Agency

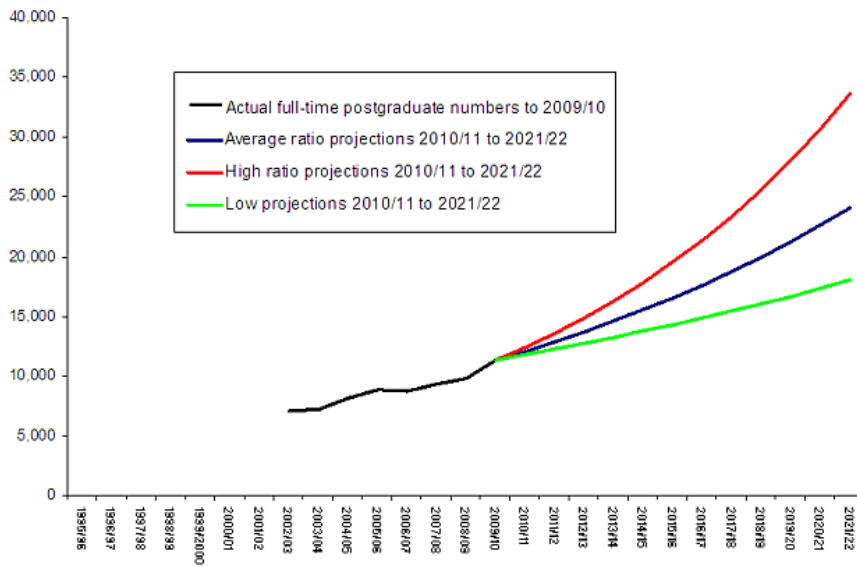
Figures 6, 7 and 8 provide equivalent information for full-time post-graduates. They point towards growth in student numbers, particularly amongst overseas students. Once more, on current trends that group of students will play an increasingly important part in higher education in London over the next ten years.

Figure 6: Actual and projected numbers of full-time postgraduates at London HEIs, 1995- 96 to 2021-22



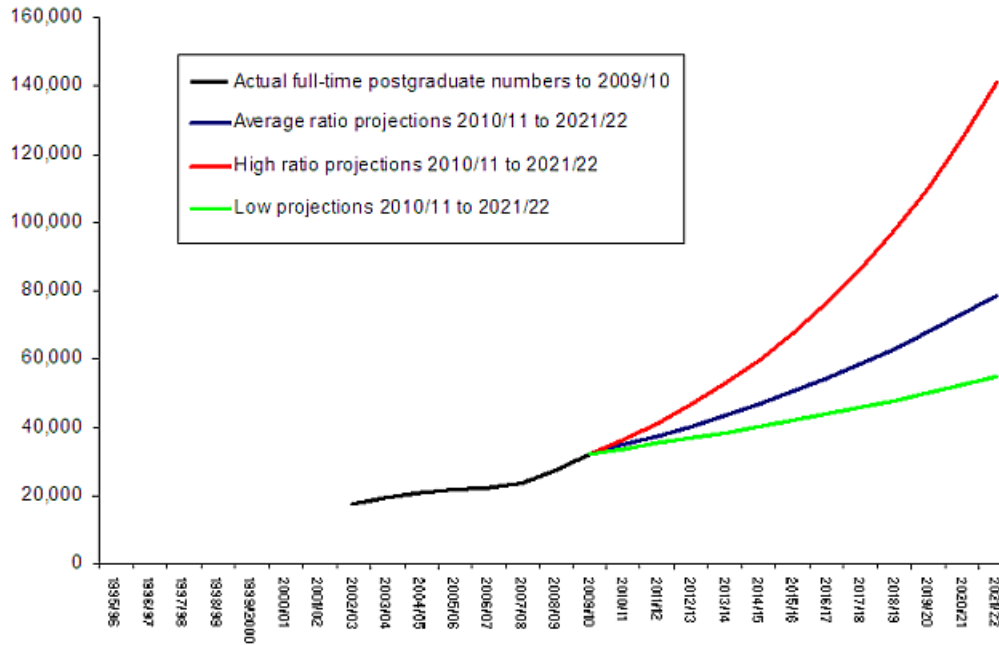
Source: *Students in Higher Education Institutions 2009/10*, Higher Education Statistics Agency

Figure 7: Actual and projected combined numbers of 'Other EU' domiciled full-time postgraduates at London HEIs, 1995-96 to 2021-22



Source: *Students in Higher Education Institutions 2009/10*, Higher Education Statistics Agency

Figure 8: Actual and projected combined numbers of 'Non-EU' domiciled full-time postgraduates at London HEIs, 1995-96 to 2021-22



Source: *Students in Higher Education Institutions 2009/10*, Higher Education Statistics Agency

References

- ¹ The Student Immigration System – A Consultation, UK Border Agency, Home Office, December 2010.

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