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Submitted to International Student Levy
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About you

1 What is your name?

Name:
BUILA (British Universities International Liaison Association)

2 What is your email address?

Email address:
members@buila.ac.uk

3 What is your organisation?

Organisation:
BUILA is a membership organisation representing the international staff and interests of our 149 member universities located in every region and nation of the UK and covering all mission groups.

4 Would you like us to keep your responses confidential?

No

Reason for confidentiality:

Scope of the International Student Levy

5 Are there any circumstances not specifically mentioned in the technical consultation document, for which it is unclear whether a provider is or is not in scope?

Yes

Please provide additional information. :

The consultation states that "Transnational education (TNE) delivered by providers in a country other than the United Kingdom will not be in scope of the levy". Further clarity is required on how this applies to common types of TNE arrangements, particularly where delivery spans both the UK and overseas locations.

6 Do you foresee any challenges with the definition of international students included in the technical consultation document?

Yes

If yes, please provide additional information. :

The document defines international students as "those higher education students who do not qualify for home fee status". This definition is overly broad and uses fee status for fee liability, despite the fact some students who do not qualify for home fee status do not pay tuition fees. This may include:

Incoming exchange students participating in mobility programmes (e.g. Erasmus+)

Students on fully funded university scholarships, including those receiving fee waivers

Visiting and short-term students

Including these students in the definition inadvertently expands the scope of the levy beyond income-generating students, undermining the government's stated objective of demonstrating the monetary benefits of overseas students, and compounding the financial burden on higher education providers.

7 Are you aware of any additional student, course or provider types, which are not already included in the technical consultation document, that you think we should consider before the introduction of the levy?

Yes

If yes, please provide additional information.:

BUILA have highlighted against Question 10 a list of areas we think should be exempt from the levy.

8 Do you think the proposed restrictions to the scope of the levy would have any unintended consequences on the behaviour of students or providers?

Yes

If yes, please provide additional information.:

The levy will have a number of potential unintended but significant consequences:

Creating negative messaging for potential students

Recent Government policy changes are already impacting demand and overall international student numbers; if English universities do pass on levy costs to the student this will impact the UK's ability to remain competitive. It also sends an unwelcoming message to international students and that is why BUILA are asking for government to commit to publishing an annual report of how international levy funding has been spent. This will support our aims to create positive PR to, and around, international students.

Weakening the UK's research capacity

Applying the levy to PhD students risks increasing barriers to doctoral recruitment; diminishing the return on public R&D investment, reducing the UK's global competitiveness, and undermining the UK's successful participation in Horizon Europe. This ultimately threatens the government's R&D-led growth ambitions by weakening the UK's research capacity.

Reallocation of funding away from core activity

A survey with our member universities indicated that a significant proportion of them do not intend to pass the full levy costs on to international students through tuition fee rises, given price sensitivity. Providers may therefore need to absorb some of the cost by redirecting existing investment, resulting in:

delays to capital infrastructure projects, such as new laboratories

reduced capacity to teach home students, with universities currently using international tuition fees to plug the annual funding shortfall

reduced national research and innovation capacity

slower progress on widening participation

more limited course choice for both UK domestic and non-UK students, as universities discontinue programmes

potential cuts in high-skilled roles, inhibiting regional economic growth given universities' importance as major local employers.

Undermining international collaborations

Introducing additional costs for hosting short-term and exchange students risks discouraging universities to participate in international mobility programmes such as Erasmus+. This may have the unintended consequence of harming established partnerships and limiting outward mobility opportunities for UK students.

Calculation of the Levy

9 Do you foresee any difficulties with the method for calculating the levy, which is outlined in the technical consultation document?

Yes

If yes, please provide additional information. :

BUILA would welcome clarity on the following operational areas to ensure consistent application:

Double counting

It is important that HE providers are not charged multiple times for a single student, for example where a student has a non-standard start date that results in overlap across two academic years, or where a student changes course.

Fee-status changes mid-year

A learner's fee status can change due to residency/settlement outcomes, family circumstances, or administrative correction. It is unclear whether counting should be based on status at a single census point, for the majority of the year, or at year-end reconciliation.

If a learner becomes eligible for home fees (or is treated as such under an access/sanctuary policy) during the reporting year, counting them as an international student would be inconsistent with the levy's fee-status basis and could result in over-charging or retrospective disputes.

Visa/status changes

Immigration status can change during the year (e.g., switch of visa route, leave to remain, asylum decision). Providers need clarity on which status is determinative and how to handle changes after enrolment.

Where immigration status changes lead to a change in fee status (or eligibility to study), applying the levy without an adjustment mechanism will risk charging learners who no longer meet the intended definition.

Students on interruption/suspension

Students may remain registered while not actively studying. It is unclear whether 'registered' learners on 'interruption' at the point of counting, or those interrupting shortly before/after, should be included.

Learners who are not actively studying for a sustained period have limited use of teaching and campus services. Counting them would penalise student-support decisions and may incentivise withdrawal rather than supported return.

Transfers between providers

Learners can transfer between institutions within a year and could be counted twice across datasets, or it is unclear which provider is liable. Counting them more than once would be inequitable and could discourage legitimate transfers that improve student outcomes.

Adopt a single-provider liability rule (e.g., provider where the learner is registered at the census date) with a correction/appeals process where duplication is evidenced.

Deferred entrants

Applicants may accept offers, pay deposits, or be assigned student records but are not formally registered. It is unclear when 'enrolment' begins for counting purposes.

Confirm that only learners who are formally registered/enrolled on the census date (and reported in the relevant return) are countable; exclude pre-registration applicants and deposit-holders.

Split-site delivery

Some programmes are delivered partly in England and partly overseas (block teaching, flying faculty, compulsory overseas components). It is unclear whether partial UK delivery triggers full levy liability.

Where the majority of teaching and study takes place outside England/UK, the learner's use of UK-based services and local impacts are materially lower. A full headcount charge would be disproportionate and could discourage high-value collaborative delivery models (or push providers to redesign delivery to avoid counting).

10 Are there any circumstances, not specifically mentioned in the technical consultation document, in which it is unclear whether a learner should or should not be counted in the calculation of the levy?

Yes

If yes, please provide additional information.:

Following consultation with our members, BUILA have identified several scenarios where eligibility and counting could be unclear in practice. We set these out below, together with the reasons for uncertainty and rationale why they should be excluded from the count calculation.

STEM courses (Government priority areas; higher delivery costs)

The current design is based on a flat-rate per head calculation which does not distinguish between high-cost STEM provision (labs, specialist equipment, placement support, accreditation requirements, etc.) and lower-cost delivery models.

It is proposed that STEM programmes are excluded from the count calculation because including them could unintentionally discourage the provision of priority STEM subjects by impacting already high-cost programmes, leading providers to shift towards lower-cost subjects and risks tuition fee increases that not only make UK STEM less competitive internationally but also impact the tuition fees domestic students pay.

Many STEM programmes are also central to national skills objectives and are priority courses aligned with the government's missions and industrial strategy (e.g. engineering, computing, life sciences), but the levy design does not clarify whether strategic priority courses should be treated differently to avoid undermining those objectives. International student fees are essential for cross-subsidising domestic students places and sustaining high-cost subjects, such as STEM and technical courses, which may otherwise become financially unviable due to the significant gaps between government funding and delivery costs.

Fully sponsored / scholarship-funded students (government scholarships, employer-paid cohorts)

Tuition fees and cohort numbers are often fixed by sponsor agreements with governments and employers, making it difficult to renegotiate to absorb a levy. These schemes are extremely important, frequently strategic relationships (government-to-government, national and regional employer) they create vital skills pipelines and develop soft power influence within key countries.

Fully sponsored scholarship cohorts should be explicitly exempt from the count calculation to protect access, partnerships and strategic scholarship programmes, in particular Government to Government scholarship programmes.

University Sponsored Scholarship funded students

The definition does not consider students whose tuition fees are fully waived or covered by university scholarships. These students do not generate fee income and are funded by universities in recognition of their academic or research potential. These talented students often come from lesser economically developed countries and rely on fee waivers to access UK higher education. Including these students in the scope of the levy would effectively create a talent tax and damage the sector's efforts to diversify its international student intake.

Erasmus/visiting/exchange students (reciprocal mobility)

Introducing additional costs for hosting short-term and exchange students, risks discouraging universities to participate in international mobility programmes such as Erasmus+ at the exact time that the government has invested significantly to encourage this activity.

Inbound exchange students often pay no or reduced tuition fees to the host university because the arrangement is reciprocal for outbound students. Therefore, the education provider receives no tuition fee income.

Inclusion in the count calculations risks reciprocal action by partner institutions and may reduce outbound mobility opportunities for UK students.

We therefore advocate for exemption for inbound exchange students and short-term visiting cohorts, regardless of visa category type, to protect mobility agreements and partnership pipelines.

'Integrated/ year abroad' where the student is outside the UK for the majority of the year

Students undertaking an 'integrated/year abroad' or 'study abroad year' are away from the university for the majority, if not all, of the academic year and have limited or no use of UK campus services and local infrastructure. Inclusion could also discourage outward mobility options that are often reciprocal and linked to employability and industry needs.

In many cases, these students are not liable to pay tuition fees for their 'year abroad', therefore it is proposed that this category of learners be explicitly exempt from the count calculation for the years where the learner is outside the UK for the majority of the academic year.

Students paying a single tuition fee across multiple academic years (atypical starts; PG programmes with year-long placements)

Some university programmes charge one tuition fee but their delivery spans more than one academic year (e.g., January/Spring starts, integrated placement structures). A flat annual headcount levy risks double counting or charging in years where the student is only partly engaged in taught provision.

A fairer treatment of the levy would be to apply it pro-rata to the period the learner is 'active/registered' in the relevant year. Where a learner is on a full-year placement with minimal university-delivered teaching/support, the placement year should be treated as out of scope of the count calculation.

Distance-learning students residing overseas for the whole year (even if credit-bearing)

These learners engage with the programme wholly from outside of the UK. They do not use UK housing or local services and in most cases are charged reduced tuition fees. It is unclear whether the levy is intended to be calculated by the provider's registration status or by the location of study.

It is proposed that these learners are excluded from the count calculation as they live and reside overseas for all years of their programme as delivery is fully online.

Summer schools and short seasonal programmes

Short seasonal programmes often have different fee structures and are frequently designed as recruitment pipelines to support with developing overseas institutional partnerships. The fee income for these programmes is significantly lower than full time courses and, therefore, if included in the levy, these cultural exchange programmes are less viable for universities.

Reduction in these programmes would negatively impact diversity of international student recruitment. They often include the hosting of TNE students, a priority under the new IES.

Short-duration summer schools participants should be excluded as the activities for learners are non-credit bearing and learners will typically be on a short-term study visa.

Sanctuary scholarship students / asylum seekers supported via institutional access schemes

These schemes are designed to remove barriers for those in precarious circumstances. Inclusion would create a direct disincentive to institutional widening participation and civic-mission commitments.

It is proposed that there is an explicit exemption for sanctuary scholarship cohorts and asylum seekers where the institution has conferred home-fee treatment (or equivalent) as part of an access commitment.

All short-term pre-sessional English language students

Pre-sessional English programmes are typically delivered as short non-credit-bearing courses. They are delivered before the main programme registration, making it unclear whether learners are "international students" for levy purposes. These courses often function as preparatory support rather than substantive HE study.

Therefore, all short term pre-sessional English language programmes where the programme is not the learner's main award aim for the academic year should be exempt from the levy calculation, regardless of credit status.

Other short, credit-bearing courses (including micro-credentials and standalone modules)

Credit-bearing activity can be very small in volume and short in duration; a flat levy could therefore be disproportionate and incentivise reclassification away from credit-bearing provision. It is unclear what minimum duration/credit volume should trigger counting.

BUILA recommends the introduction of a minimum credit threshold, below which learners are excluded), and a duration threshold.

Fee-waiver arrangements (e.g., staff fee remission, partner fee waivers, articulation discounts)

The above enrolments may generate little or no tuition fee income, so a flat per-head levy will be disproportionate and may deter partnership or staff-development arrangements.

It is proposed that there are exemptions where the tuition fee charged is zero (or below a minimal threshold).

Taster weeks / partner-hosted visits where the institution provides facilities only (no substantive teaching)

Where activity is primarily facility, orientation, cultural programming or observation, it is unclear whether participants are "learners" for levy counting purposes. It is proposed that these learners are explicitly excluded.

Global fellowships / short visiting researcher schemes

Protecting the UK's valuable research capability is very important. Global fellowships and researcher schemes are often research exchanges rather than taught study, and participants may not be 'students' in the conventional sense. Counting rules on this category of learner could become inconsistent across providers. It is proposed that visiting fellows/researchers where there is no award aim or registered credit are explicitly excluded from the count calculation.

Research-funded students (policy intent conflict)

Doctoral (and some PG) students funded via UKRI, Horizon Europe, or comparable prestigious research programmes, where tuition recovery is limited or non-existent and activity supports UK R&D and collaboration goals, should be excluded. Increasing the cost for PhD students on exchange programmes risks undermining joint government-sector efforts to increase participation in Horizon Europe and harming our collaboration with European partners.

Continuing professional development (CPD) and employer-linked short provision

CPD provision is often modular, employer-funded and price-sensitive. Attributing levy costs to this course provision could suppress upskilling and reduce the competitiveness of UK provision in global markets. CPD programmes and employer short courses below a credit/duration threshold be explicitly excluded from the count calculation.

Payment of the Levy

11 Are there any alternative payment options, other than those outlined in the technical consultation document, which would be preferential to your organisation and that you think we should consider?

Not Answered

If yes, please provide additional information.:

12 Does the timing of payment outlined in the technical consultation document coincide with any key financial processes that may impact a provider's ability to pay within the proposed timings?

Not Answered

If yes, please provide additional information.:

13 Does the approach to payment outlined in the technical consultation document pose any challenges for providers with alternative academic years?

Not Answered

If yes, please provide additional Information.:

Other Comments

14 Are there any other comments on the design of the International Student Levy, as outlined in the technical consultation document, which you wish to raise?

Not Answered

If yes, please provide additional information. :

It is vital that there is ongoing engagement between the Government and the Higher Education sector to ensure the levy is designed and implemented effectively, with sufficient opportunity to identify and address any unintended consequences before it is introduced.

BUFDG and HESPA have sent separate responses to this consultation and can advise on very specific financial and technical issues around the levy's design and implementation.

BUILA feel strongly that the Government should consult the sector representative groups further on data collection methods, including exploring the potential use of Standard Registration Population datasets to identify students in scope.

The OfS must provide further information on how it will ensure transparent and robust data verification processes that mitigate the risk of errors and double counting students that attract the levy.

There must be a clear and timely process for challenging and rectifying queries.

Requested clarifications and implementation principles:

A single, definitive 'count date' (or defined counting window) and a clear definition of 'registered/active' learners, including rules for late starters, interruptions and early withdrawals.

A transparent process for provider queries, corrections and appeals where counting is disputed or data anomalies occur.

Assess the evidence

BUILA asks for:

Delay in implementation until a full assessment has been undertaken of the impact on universities.

Commitment in legislation to a formal review of the levy within two years of implementation, and regular reviews, incorporating the latest data.

An annual assessment of take-up of domestic maintenance grants

Confirmation of how the excess levy funds are being spent, including how they are supporting students in higher education.

The government to commit to publishing an annual report of how international levy funding has been spent. This will support our aims to create positive PR around international students.