GREATER**LONDON**AUTHORITY

Mayor's Academic Forum Meeting Notes
Date: 14 July 2017
Time: 15:00-17:00
Location: City Hall committee room 5

Agenda items discussed:
1. Methodology for projecting HE student numbers
2. Need for PBSA
3. Draft policy for student accommodation

Abbreviations used in following note:
EU – European Union
GLA – Greater London Authority
HESA – Higher Education Statistics Agency
HEI – Higher Educations Institution(s)
MAF – Mayor's Academic Forum
PBSA – purpose built student accommodation
PG – postgraduate students
UG – undergraduate students

1. **Methodology for projecting HE student numbers**
   See presentation slide/page 3 - GLA presented the methodology used to project student number in 2013 for the Further Alterations to the London Plan. This had been covered in detail at the Mayor's Academic Forum (MAF) meeting in December 2016. At this meeting the GLA had shown that the actual student numbers had not followed any of the scenarios and as a result the Forum had suggested adding a new no-growth scenario to the student projections for the new plan.

   Following the December 2016 MAF meeting the GLA Planners reviewed the methodology with GLA Demography team. The GLA demography team recommend basing future projections on past population trends rather than developing new scenarios without have robust information about how the scenario assumptions would affect the student population e.g. it is unknow how the UK leaving the EU will affect London's student population.

   The GLA updated the previous population projections used in 2013, with the recent years data from HESA The previous projections were based on what was termed high-growth model which involved exponential growth and a low growth model. The exponential model was not considered a robust and realist approach to modelling the student population by the GLA Demography team and thus was not used in the new projections. The low-growth trend model had three variants
      - Variant 1. A constant growth assumed that the student population will grow at a constant amount per year from 2012/13 to 2026/27.
      - Variant 2 and 3 linked UK student population change to 18-21 year old's population over last 1 or 3 years

   Using the old projection method for these three variants were rerun with the recent years data.

   Slide/page 4 shows Variant 1 with recent student numbers data the projection method leads to a radically different UK student population than had been projected in 2013, and this approach is not considered robust.

Slide/page 6 shows variant 2 and 3 and the new data leads to a slightly lower student population. Slide/page 7 shows there was not much difference between using the 1 or 3 years variant so the rest of the modelling approach only used the 3 years variant.

The international student projections for all the three variants were was based on a system of averaging previous year growth. Slide/page 5 shows this same projection method approach but with international students split into other- EU and non-EU country of domicile.

The HESA data allowed the UK students to be examined by area of the UK where they were domiciled and thus the population linked 3-year variant was rerun to project the London domiciled students separately from the student from the rest of the UK – see slide 8.

The low growth variant assumes that proportion of 18-21-year-olds in London and in the rest of that are students in London will be constant for the projection period. However, the HESA data shows that this proportion fluctuates every year. Thus, a new population linked model was developed which used the last 13 years HESA data to model the changes of the proportion of the 18-21y/o population that are students to project and ascertain a trend line for London domiciled students and students from the rest of the UK - slide/page 9 shows this trend line. The trend suggests that the proportion of 18-21y/o domiciled in London and studying in London will decrease over the projection period, while the proportion of 18-21y/o domiciled in the rest of the UK but studying in London will increase over time.

Using this trend line with the data of demographic changes in the population of 18-21 year olds gives a new projection for the number of students studying in London – see slide 10. This shows that the number of undergraduate (UG) students form outside London will make increase and overtake the number of London domiciled UG studying in London around 2030. Slide 11 shows the contrast between using the previous approach of having constant proportion of 18-21 years as students and using the trend base variation in this proportion.

The GLA illustrated what the student population would be over the plan period using the methods outlined above but highlighted these numbers were very early estimates and further work was required to accurately project the student population.

MAF discussion
The GLA asked the MAF which approach they considered more realistic and should be used in the new student projections. The MAF members considered that the trend approach seemed to more accurately reflect the population changes. The decrease in the proportion of London domiciled students studying in London and an increase in non-London UK students studying in London reflected what some MAF members were already seeing and this linked to variations in the likely growth of different universities. It was suggested the Russell Group universities would be expanding more than London universities that tended to have more London domiciled students, and the Russell Group universities attracted more students from outside of London. Members noted that with the increase in fees more London domiciled students had moved from fulltime studying (which is what the projections show) to part time UG courses and other qualifications.

Members of the MAF question why the projections were based on all UG rather than focusing on modelling the first years, and why the projections it only linked to the demographic changes of 18-21 year olds when the age of UG students was much wider.

The GLA noted the MAF members supported the trend based approach to projections for UK fulltime UG and PG students. It also noted the suggestions for improving the model and agreed to model first year students and link the projects to the demographic projected changes for actual age structure of UG students.

2. Need for PBSA

The GLA outlined that the previous MAF meeting had suggested exploring a new policy approach to working out how many students should be accommodated in PBSA from the current approach aiming for 26-30% in the projected growth of London HE students to be accommodated in PBSA.
The new approach was focused on having enough PBSA to accommodate the students that were consider most in need of the accommodation, and who the Universities would prioritise for a place in PBSA.

The GLA identified the different groups of fulltime students that would make up these "priority" students for PBSA as (see slide 12):

- 1st year UG: all UK non-Londoners + international students
- 2nd & 3rd UG: a % of international students *
- PG in 1st year :   International students

* The GLA suggested that international students have more difficulty renting market housing than UK students due to government regulations requiring that landlord check that a tenant or lodger can legally rent a residential property in England and difficulties in not understanding the rental system. The GLA suggested the percentage figure used for this group of second and third year international students could be based on the survey findings from London University Housing Services which asked UG students if they want to live in PBSA after first year.

The GLA highlighted that London domiciled students would not general be consider a priority for a place in PBSA by London Universities, as they already have a home in London. Thus, the GLA did not include these students as one of the groups most in need of PBSA accommodation.

The GLA explained that using the new population projections for these priority group would give a total need for PBSA over the London Plan period. The number of new PBSA that would be required would be this total PBSA need less the current stock of PBSA. Currently there is approximately 83,000 PBSA bedrooms in London.

MAF discussion
MAF members agreed that identifying the groups of students most likely to want and need to be in PBSA, and using the population projections for these groups to work out a total need would be a sensible approach to ascertaining an overall strategic need for PBSA in the new London Plan. However, members commented that in addition the groups of students identified as being "priority" for PBSA there is also a demand for PBSA by second and third year from the UK.

The GLA noted the MAF members generally agreed with the approach to ascertaining a strategic need figure for PBSA, and confirmed it would look at how to incorporate the need for PBSA by second and third year UK students domiciled outside London.

3. Draft policy for student accommodation

The GLA outlined the different elements of a draft policy for student accommodation for the new London Plan for discussion.

Policy elements:
Slide/page 13
- The use of the student accommodation is secured for use students
- The needs for the PBSA to be linked to HEI through an agreement which secures occupation of the accommodation by members of one or more specified higher education institutions.

MAF Discussion
MAF members agreed with the need for the accommodating to be secured for use by students as is required by current policy.

Members considered the requirement to have an agreement with a HEI was useful for identifying the "bona fide" student accommodation providers in the market rather than a purely speculative developer of this specialist accommodation. Members noted that such agreements with HEI typically have a 7 to 10-year break clause. Member commented that the market in PBSA has matured over recent years in London and is less speculative, thus this policy proposal is in line with what is happening in the market.

Members highlighted that the point of time at which the formal link was required by a policy was important as HEI do not necessarily want to sign up to a nominations agreement when the planning application is being decided but were more willing a year or less before the development is completed. Thus, the policy needs to allow the agreement with a HEI to be committed to later in the development process.

The GLA presented (slides/pages 14-16) the second element to the policy. The draft policy would require that a set percentage of the accommodation should be secured as affordable student accommodation. The GLA reminded the members how affordable student accommodation is defined in the current (2016) Housing Supplementary Planning Guidance (i.e. 55% of the maximum income that a new full-time student studying in London and living away from home could receive from the government's maintenance loan for living costs for that academic year). The link with a HEI would mean that the HEI which operates the PBSA or has the nomination right to it should allocate the affordable student accommodation rooms to students the HEI considers most in need of the accommodation.

The GLA highlighted that if the policy did not require PBSA to provide affordable student accommodation, this form of development would be subject to the same requirements as other forms of housing, i.e. a reequipment to contribute to conventional C3 use class affordable housing, to address London's overall need for affordable housing.

The MAF member considered it better to have PBSA provide affordable accommodation for students rather than contributing to conventional affordable housing.

Members explained that using the PBSA in holiday period for other uses would be important to help make the development more viable and provide the affordable student accommodation. The GLA agreed that the policy could help support the temporary use of the PBSA.

Members question about if viability would still be taken into account when considering how much affordable student accommodating should be provided. The GLA confirmed that viability would be taken into account for determining planning application for PBSA, but there would likely be a fast track approach if the PBSA met the policy reequipment.

Members question if PBSA would be a separate part of a borough's housing target. The GLA confirmed that PBSA forms part of a borough's overall housing target and not a separate target.

Members commented that the format of accommodation influences it costs and that HEI do not want to have agreements for expensive studios but prefer cheaper accommodation. The developers have recognised this demand from the HEI and students, and newer developments are providing less expensive models of accommodation.

The GLA outlined the final element of the policy (slide/page 17) encourages the development of student accommodation in locations well connected to local services by walking, cycling and public transport but away from existing concentrations in central London as part of mixed use regeneration and redevelopment schemes. The members considered that proximity of the PBSA to the HEI was important, and that the development of HEI facilities along with PBSA would be beneficial.

The GLA confirmed that the comments provided by the MAF members at this meeting would inform the final policy and this wold be published for consultation at the end of 2017. The GLA also confirmed that it would work with relevant members to develop the student population model.