

Scotland's relationship with the EU

Response to the European and External Relations Committee's call for evidence

Universities Scotland welcomes the opportunity to present evidence to the Committee on the implications of the UK's decision to leave the EU. Europe has been, and always will be, a very important partner for the higher education sector in Scotland as outlined in more detail in our submission. The referendum result has created great uncertainty in higher education, however our members have strong working relationships with Europe, European universities and other institutions and we will work with all Governments and stakeholders to ensure those relationships are preserved under the new arrangements.

Scotland's future relationship with the EU

The Value of Scotland's membership of the EU

It is hard to overstate the value that membership of the EU has offered Scotland's HE sector in terms of funding opportunities and research collaborations. Scotland's university research is widely recognized as amongst the best in the world with three-quarters of our research described as 'world-leading' or 'internationally excellent'. Our research excellence is underpinned by significant funding from Europe and extensive European collaborations which are outlined in more detail below.

Funding from the EU

In 2013/14, Scottish HEIs received £88.8million of research funding from the EU, which accounts for 13% of Scottish universities' total annual research funding. Most of this funding (85%) comes from European Commission programmes; the rest from EU charities and business.

Horizon 2020 is the biggest EU Research and Innovation programme, with nearly €80 billion of funding available over the period 2014 to 2020. To date, Scotland has received just under €165 million from Horizon 2020ⁱ. While the UK received over 15% of total Horizon 2020 funding, Scotland received 19.9% of funding delivered through the 'excellent science' pillar. (It is worth noting that in the period 2007-2013, Scotland secured £636 million from Horizon 2020's predecessor, the EU Framework 7 Programme.)

Scotland has also been successful at winning funding under the Marie Skłodowska-Curie Actions research fellowship scheme which provides grants researchers and encourages transnational, intersectoral and interdisciplinary mobility. Data published at a UK level show that over 3,500 UK researchers have been funded through M S-C Actions in 7 years, with a value to British organisations of around €1,086 millionⁱⁱ.

Scottish HEIs currently receive around £5.5 million a year from European Regional Development Funds (ERDF) and around £1 million in European Social Funds (ESF) iii. Between 2007 and 2013, 14 Scottish universities were the lead partners in 60 ERDF projects worth over £62.5 million. Many of these projects have helped build and embed the infrastructure needed to support closer engagement with the business community and to increase the commercialisation of university research, as well as making a significant contribution to regeneration projects in key parts of Scotland.

Innovation-focused projects which have received ERDF funding include University of Edinburgh's Scottish Centre for Regenerative Medicine, which received over £5 million, and Strathclyde University's Technology Innovation Centre (TIC) which received a contribution of over £6.5 million towards the total investment of £90 million. Strathclyde's TIC and surrounding International Technology & Renewable Energy Zone are expected to generate 700 new jobs and attract millions of pounds of inward investment to Glasgow.

Universities Scotland welcomes confirmation from the UK Government that it will underwrite Horizon 2020 awards won while the UK is still a member of the EU and will fully fund all existing structural and investment fund projects. However, we want to see continued access on the current terms to Horizon 2020 until the completion of the funding period.

In addition to having access to EU research funds, it is important that Scotland can continue to influence the funding priorities for EU research programmes in a way that serves Scotland's interest. The EU Research Commissioner, Carlos Moedas, has confirmed that until the end of the Brexit negotiations, the UK will continue to have all the rights and obligations in relation to research programmes. Universities Scotland would like reassurances that that commitment extends to shaping the policy priorities of EU funding programme, particularly as a mid-point review of Horizon2020 is due soon. As part of the post-Brexit negotiations, Universities Scotland will be seeking to ensure that Scotland and the UK can continue to participate fully in future discussions about the EU's research priorities as well as having access to funding programmes.

Research collaborations

Membership of the EU has enabled Scottish HEIs to participate in transnational collaborations and to access shared research facilities. The major challenges that we face today (such as climate change, food security or finding a cure for cancer) are not going to be solved by researchers working in isolation in Scotland. Moreover, the evidence shows that collaborative research on an international level is 1.4 times more impactful than research within national boundaries. It is therefore essential that Scottish universities can continue to collaborate with colleagues across the EU if Scotland is to maintain its research excellence.

Universities Scotland welcomes the recent statement from the Scottish Government that Scotland remains open for business and continues to welcome researchers from across the EU. However, the Scottish and UK Governments need to keep reiterating such assurances to stem any nervousness amongst potential partners considering new projects funded under the European Research Council.

In addition, reassurances needed to be given as to the future status of EU funded facilities based in Scottish universities, notably the European Lead Factory for medicines, based at the University of Dundee.

Alternatives to EU membership

Alternatives to EU membership - Research funding

In considering alternative to EU membership, it is worth outlining the three broad mechanisms by which non-member states can currently access EU research funds.

1. Associated Country status

Thirteen 'Associated Countries' including Norway, Iceland and Switzerland contribute to the Framework Programme proportionally to their GDP to get the same status as EU Member States. Where funding is awarded on the basis of excellence it is possible for Associated Countries to see a net gain. However, this status is generally only open to countries that are members of the European Free Trade Association and current EU candidate nation. Furthermore, none of these countries have a role in the negotiations that shape EU research funding.

2. Non-associated third countries

Institutions and researchers from other countries can apply to Framework Programmes under the 'openness' strategy and in some circumstances receive direct funding. Depending on the exact scheme, third countries might have to provide matched funds.

3. International Agreements

The EU has international agreements for scientific and technological cooperation with 20 countries to have a framework for participation in joint projects, sharing of facilities, staff exchanges and organising specific events.

For Scotland to maintain and build on its world-class research, it is essential that Scottish universities retain as close a relationships as possible with the European Research Area. Universities Scotland therefore wants to see a mechanism negotiated with the EU that provides Scottish HEIs with access to the same funding opportunities as they currently enjoy (an issue complicated by the fact that the UK is a net beneficiary from this sector of EU funding) and the ability to participate in negotiations on future research programmes.

In considering what kind of mechanism might be negotiated, it is worth noting that following a recent referendum which effectively removed freedom-of-movement agreements with the EU, Switzerland was downgraded from 'associate' to 'third country' status and subsequently had to negotiate 'partially associated' status. This allows Swiss-based researchers to access the 'excellence science' pillar of Horizon 2020 and the Marie Curie mobility schemes, but not the 'industrial leadership' and 'societal changes' pillars, which have budgets of €17 billion and €29.7 billion respectively.

Alternatives to EU membership - Freedom of movement

The principle of freedom of movement of talent is possibly one of the most important benefits of EU membership for Scotland's universities, as it allows the flow of people and ideas across national boundaries.

Scottish Universities currently face very damaging restrictions on visas when it comes to the recruitment of non-EU international staff, through the Tier 2 route. In the event that the principle of freedom of movement for EU citizens is restricted, Universities Scotland would see the need for a post-study work visa scheme as all the more urgent. A post-study work visa scheme would in part address the current restrictions and be a significant benefit to universities both as employers and as recruiters of students as well as to the wider Scottish economy. Against this context it is disappointing that the Tier Four visa pilot programme, recently announced by the UK Government, has been framed so narrowly and is open to only four universities, none of which are in Scotland.

The withdrawal process

As detailed above, the potential impact on the Scottish HE sector of the UK's decision to leave the EU, and the knock on effect to Scotland's economy, cannot be overstated. Universities Scotland therefore hopes to be a full contributor to the negotiations that will take place between the UK and Scottish Government, the European Commission and others over the months and years about the UK's exit and potentially Scotland's continued membership of the EU.

The sector has been heartened by the many calls and e-mails from partner institutions and researchers in the EU, wanting to maintain relationships with Scottish HEIs, and by the recent joint statement signed by the Presidents of National Rectors' Conferences from 24 European countries and the European Universities Association calling for continued 'research and exchange relationships between Europe's universities, for the benefit of people across the continent'. The support and goodwill of our European colleagues needs to be built upon to establish a mechanism that will allow Scottish HEIs to maintain access to the valuable funding and collaboration opportunities offered by the EU to date.

The Domestic process for dealing with a withdrawal from the EU

Implications for Scots Law

EU students are currently eligible for free undergraduate education in Scotland due to the interplay of the provisions of Articles 18 and 21 of the Treaty on the Functioning of the European Union (which cover prohibition of discrimination on grounds of nationality and freedom of movement) and the Scottish Government's policy for Scottish-domiciled students.

The tuition fee status of EU students studying in UK universities has to be the same as that of UK students in the particular UK jurisdiction; therefore, where tuition fees for the first degree for 'Scottish students' are met by Scottish Government funding, they are also met for EU students.

Although EU Treaties will cease to apply to the UK following withdrawal from the EU, the Education (Fees) (Scotland) Regulations 2011 currently state that it is not lawful for higher education institutions to charge a higher fee EU nationals. Therefore, until the 2011 regulations are amended, the position on equal treatment of EU students will remain.

Impact on Scotland's economy of termination of EISF support and access to the Horizon 2020 programme

As outlined above, Scotland's HEIs receive significant funding from various EU programmes, most notably, Horizon 2020, European Social Funds and European Regional Development Funds.

Whilst the structural funds are focused on innovation and knowledge exchange, rather than pure research, there are important links between all these funding streams which ensure the economic and social benefits of university research are maximized for the benefit of Scotland as a whole. Research and innovation is central to the Scottish economy, helping to increase productivity, growth and the creation of high-value jobs across the economy including the service sectors.

Implications for Scotland's funding settlement

In terms of research funding, the first preference for Scotland's HE sector would be to negotiate a post-Brexit settlement which enables it to retain as close a relationship as possible with the European Research Area. Such an arrangement would mean that Scottish HEIs are not just able to access EU research funds but are able to access shared research facilities and participate in the transnational collaborations which are essential for much of the world-leading research that Scotland undertakes.

The level of funding that Scottish HEIs are awarded on a competitive basis from EU research grants is 14% higher than that received by HEIs in the rest of the UK^{iv}. Universities Scotland would like reassurances from the UK and Scottish Governments that, whatever deal is negotiated on maintaining access to the EU research area, its members will receive the same level of funding for research once the UK leaves the EU.

The position of EU citizens in Scotland

The higher education sector greatly values the contribution of the 4,500 EU staff and 24,000 EU students currently working and studying at Scotland's 19 HEIs. The referendum has generated significant uncertainties for these staff and students (as well as for those considering Scotland as a work or study destination), and it is a matter of urgency that reassurances are given as to their future status.

EU students

EU students make a substantial economic and cultural contribution to Scotland. At postgraduate level, EU students in Scotland contribute £17 million a year in fees while the off campus expenditure of EU students studying at all levels is estimated to be £156 million a year. EU students bring greater diversity to our student body and a broader perspective to the class room which leads to educational enrichment for all students, and graduates with better global awareness.

Moreover, unlike their international peers, EU students are able to stay and work in Scotland and so make a significant contribution as graduates to the Scottish economy. This is particularly important as students of EU nationality are more likely to be studying science, technology, engineering and maths in our universities than their UK peers (33 per cent of EU students compared to 23 per cent of UK students). As Scotland currently faces significant skills shortages in many of these areas, EU graduates who stay and find high-skill employment are making an important contribution to Scotland's short to medium-term skills needs.

Universities Scotland welcomes the Scottish Government's swift move (on 1 July) to provide certainty to existing EU students and those due to start in September this year about their status i.e. that they will continue to benefit from free tuition, and for those who meet the residency requirement, associated living cost support.

However, we now need certainty as a matter of urgency from the Scottish Government about the status of EU students looking to start undergraduate programme from 2017-18. The admissions cycle for these students is now open. Prospectuses are already out stating that undergraduate programmes for students of EU-domicile are free. This is a pre-contractual agreement with students. Universities need assurance from the Scottish Government whether this will remain the case so we can offer this to students and so we can manage our admissions effectively over the coming academic year. These potential students, many of whom will be embarking on four year degrees, also urgently need reassurance about their immigration status once the UK leaves the EU.

Universities Scotland would also like to see the opportunities offered to Scottish students by the Erasmus programme retained. Erasmus is an EU student exchange programme which enables 1,600 Scots every year to expand their horizons and employability prospects by studying in Europe.

EU staff

The contribution of EU staff working in Scotland's universities, particularly in research departments, is significant. While 16 per cent of Scotland's academic staff are from the EU (rising to nearly 20% in some institutions), 23% of Scotland's research-only staff are from the EU. These figures illustrate the extent to which EU staff form an integral part of our research teams and contribute directly to Scotland's world-leading academic research.

It is a matter of urgency that clear assurances are given to EU nationals currently working at our institutions that their right to continue to live and work in the UK will not change in the future, a matter reserved to the UK Government.

In the longer term, it is essential that we retain the right of staff and students from EU countries to work and study in Scotland so we can continue to attract the top talent. Universities Scotland would suggest that this position is compatible with the electorate's decision.

Further information

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ⁱ EU Open Data Portal CORDIS – EU research projects under Horizon 2020

ⁱⁱ UK research and the European Union Royal Society: <https://royalsociety.org/~media/policy/projects/eu-uk-funding/phase-2/EU-role-in-international-research-collaboration-and-researcher-mobility.pdf> (Separate data in not available for Scotland)

ⁱⁱⁱ HE-Business Community Interaction Survey

^{iv} UK research and the European Union Royal Society: <https://royalsociety.org/~media/policy/projects/eu-uk-funding/phase-2/EU-role-in-international-research-collaboration-and-researcher-mobility.pdf>