



Universities Scotland written submission: The impact on higher education of a negotiated and no deal exit from the EU

September 2019

Summary

- A no deal Brexit will be bad for Scotland's universities. 100% of responding Scottish universities said that they were very or extremely concerned about the negative impact a no deal Brexit will have on their institution.
- In the event of a negotiated exit, our priority would be to associate with many of the existing EU programmes and schemes such as Erasmus+ and Framework Programme 9, as they are well established, proven effective and support and encourage collaboration. If this is not an option, there may be other opportunities but the delay and lack of detail forthcoming from the UK Government is concerning.
- We welcome the UK Government's announcement that there will be a return to a two-year post study work visa for international students. This is a positive welcome policy development and we felt it was important to acknowledge it in this brief as it is highly relevant to the UK's post-Brexit immigration system. We thank the Committee, past and present members and Conveners, for its support in making the evidence-based case to support this change. However, a two-year post study work visa, which will presumably also apply to EU nationals after the UK's exit, falls far short of the freedoms currently enjoyed by EU nationals to stay and work in Scotland indefinitely.

The UK's exit from the European Union has been a costly and highly destabilising experience for Scotland's university sector. This is not a judgement on the outcome of the 2016 referendum, it is a judgement on the exit process; the lack of clarity and lack of reliable information made available to those individuals and organisations directly affected – all major obstacles to universities' ability to manage risk and manage their business environment – and what has recently felt like the very realistic and alarming prospect of a no-deal exit. A no deal exit from the EU would be bad for students, staff, for research and innovation and for our universities as a whole. For a sector, the success of which will always be dependent on the mobility of talent and the free exchange of ideas, the inconsistent and sometimes hostile narrative that UK politics has communicated – intentionally or otherwise – to the rest of the world over the last three years have been highly damaging to the UK's place in the world.



This written statement is structured in three parts:

1. The Brexit priorities of the Scottish higher education sector (in the event of a negotiated exit).
2. The immediate consequences of a no deal Brexit for higher education.
3. The preparations universities have been taking in advance of a no deal exit.

1. The Brexit priorities of the Scottish higher education sector

Clarification on the fee status of EU undergraduate students studying in Scotland

- The Scottish Government has given welcome reassurances on the fee status of EU students up to 2020/21 (which will continue to be funded in full) but we have no certainty on the fee status for students starting 2021/22).
- There are 14,060 EU students in Scotland studying at undergraduate level in 2017/18, as funded by the Scottish Government. They are bright, motivated and bring a welcome diversity to the learning experience on offer in our universities.
- It is not yet clear what their fee-status will be post-Brexit nor is it clear what will happen to the resource that currently supports the sustainability of courses and institutions, if the fee status of EU undergraduates is changed and is no longer funded by the Scottish Government. That could be a disappearance of up to £90m of higher education funding.¹ That would be catastrophic for universities.

A comprehensive overall of immigration policy post-Brexit that allows UK universities to compete for staff talent

- The UK's exit from the EU necessitates a complete review of the migration system so that the UK is open to talent from across the world. So far, the announcements on the Post Study Work visa and Exceptional Talent visa (Tier 1) are very encouraging. We want to see similar moves in regards to the Tier 2 route covering staff and universities as employers.
- The UK Government is currently at the white paper stage on a bill to determine immigration policy post-Brexit. We feel it is hugely important that the salary threshold in that bill is set at no higher than £21,000 to recognise that our sector does not have the same relationship between salary and skills / qualifications that is seen in other sectors. We need to see measures in the bill to support universities to recruit PhD staff, measures that protect the pipeline of study to work, and the ability to recruit technicians.

Association to a Framework Programme 9 (the next EU research and innovation programme and successor to Horizon 2020) focused on excellence.

¹ The variance in cost implication depends on one or two variables including the future fee status of students from the Rep of Ireland.



- International collaboration is essential to the success of research and innovation in the UK. Currently, Horizon 2020 provides a ready-made platform for collaborating with key European partners, including six of the UK's top 10 research partners. Participation in Horizon 2020 allows access to a multi-national pooled financial resource that supports – and incentivises – collaboration.

A Shared Prosperity Fund that prioritises place.

- A new Shared Prosperity Fund could create opportunities for higher education post-Brexit if it is focused around place, social cohesion and growth. However, at present the scheme is at least six months behind schedule with no detail on plans forthcoming from the UK Government.
- European Structural and Investment Funds (ESIF) have been key to regional capacity building and innovation and skills development in a number of universities. We estimate that Scottish universities received £2.915 million directly in 2017-18 through ESIF with the University of Highlands and Islands a major recipient (attracting 35% of all ESIF funding that went to Scottish universities in 2017-18 with major benefits to the region).
- The devolved nations have to be a key part of the SPF's development and we would like for higher education to play an important role in shaping the Shared Prosperity Fund given the role a university has as an 'anchor' institution, rooted in the local community with a global reach.

2. Immediate consequences of a no deal Brexit for higher education

In the event of a no deal exit, our priorities (as listed above) may not be attainable. Even if the UK does decide to be part of Horizon Europe and Erasmus+ after a no-deal exit, there will be a period during which the UK will be outside these programmes, with the damage that will do to opportunities for students and staff and to our European partnerships for research.

There would be considerable uncertainty amongst prospective EU students about their future fee/loan status.

- The Scottish Government has confirmed the fee status of EU undergraduates starting degrees in 2020/21 and the loan status for EU students starting in 2020/21 has been confirmed for the duration of their degree. But a no deal Brexit would create uncertainty around the loan status of these students starting in 2021/22, which is an important part of the financial mix for many students.
- A no deal exit would also raise questions about the fee free status of EU undergraduates starting university in Scotland in 2020/21, as this would confer a preferential fee regime relative to rest of UK and international students without the UK's membership of the EU and therefore European law as a basis for this.

-



European Temporary Leave to Remain (ETLr).

- EU students entering the UK would be subject to the ETLr system only allowing them to stay in the UK for up to three years. This is expected to affect **96.4%** of all EU students on undergraduate courses in Scotland's universities² for whom the four year undergraduate degree is standard. It would also affect PhD students.
- Students would need to convert to the Tier 4 visa for international students in their penultimate year of study and at a cost of £475 from within the UK based on current system and prices.
- This issue has been raised extensively in the media, Holyrood and Westminster. We particularly welcome the Committee's letter on this issue to the Home Secretary, the Rt Hon Priti Patel MP, dated 21 August.

The end of Erasmus+?

- Over 2,500 people at Scotland's universities had the experience of outward mobility for study or work through Erasmus in 2016/17.³
- Whilst there is a financial underwrite in place until 2020, there is no clarity on what size or shape of successor scheme might be put in place in the event of a no deal Brexit, what level of priority the UK Government attaches to this nor whether an successor scheme would be UK wide.
- Our concerns are that a successor scheme would be inferior to Erasmus+ if it did not also include staff mobility or international collaborative projects as the current scheme does. The EU is set to double the funds available for Erasmus+ to €30 billion for the period 2021/27.

UK institutions would become ineligible to compete for the globally-prestigious research funding from the European Research Council (ERC) and Marie Skłodowska Curie Actions (MSCA).

- Research funding from EU Government bodies was worth £95.8 million to Scotland's universities in 2017/18.⁴

Association to Horizon 2020 could be in jeopardy.

- There is a real risk that a no-deal exit could jeopardise the UK's ability to associate with the next Horizon programme which run from 2021–27. Lead-in times for developing research partnerships across borders can be lengthy, but UK researchers remain in the dark about whether they will be eligible to lead or participate in key projects.
- We have already seen a sharp drop in UK universities leading projects through Horizon 2020 because of uncertainty. One Scottish HEI, responding to the survey (in section 3) commented on the fact there was already "greater anxiety" coming from

² HESA Student Record 2017/18

³ <https://www.erasmusplus.org.uk/statistics>

⁴ HESA Finance Record 2017/18



EU partners in regards to research funding proposals where they, the UK-based university, was the lead or coordinator.

There would be great uncertainty around mutual recognition of professional qualifications (MRPQ).

- This could potentially disincentivise individuals from around the world studying subjects covered by the current MRPQ Directive (including architecture, veterinary science) from coming to the UK.

3. Universities have had to make extensive preparations for the prospect of a no deal Brexit

Universities UK surveyed all member institutions in late August/September to gauge the extent of preparations universities have been taking in the event of a no deal Brexit. Ten Scottish universities had replied by the time of writing and the data below is based on those ten replies.⁵ The ten responses helpfully reflect the sector's diversity and include the ancient, modern, post-92 and small, specialist institutions.

Headline findings

- Of the respondents, 100% of universities said they were very or extremely concerned that a no deal Brexit will have a negative impact on their institution in spite of the fact that 70% said they felt “very prepared” for a no deal Brexit.
- 50% of respondents said they had already lost existing or potential staff to overseas universities that they could directly attribute to the prospect of a no deal Brexit. 40% said they had experienced fluctuations in collaboration amongst EU partners and 30% said they had already experienced fluctuations in demand from EU students. 10% said they had scaled back their investment in research or other projects in order to fund no deal preparations. This question did not ask universities to forecast the impact of Brexit, it asked what impact they have already experienced. This paints a frightening picture of the potential impact should a no deal Brexit become a reality.
- Looking ahead to the prospect of a no deal Brexit, institutions said that the impact of a no deal Brexit is likely to impact most significantly on student recruitment (40% cited this) and access to research programmes and funding (30%). Many said it was difficult to isolate just one priority concern, as asked by the survey question.
- The survey asked UK universities where they felt gaps remained in the advice and guidance on a no deal Brexit as supplied by UK and/or devolved administrations. Amongst the Scottish responses to this question, the most commonly cited answers were (in no particular order):

⁵ However, additional responses were still coming in after the deadline so we will provide an update on this data if necessary.



- recent inconsistencies in immigration and border control under a no deal (with policies on the cessation of Freedom of Movement in the event of a no deal announced and then reversed within weeks of each other);
- European Temporary Leave to Remain;
- a lack of practical detail on how the underwrites for European Research Council and Marie Skłodowska-Curie Actions will actually work; and,
- the lack of clarity from the Scottish Government on the fee status of EU undergraduates in Scotland's universities post 2021/22. This is a decision within the powers of the Scottish Government and affects over 14,000 undergraduate places that are currently held by EU students, worth as much as £90 million of the sector's funding⁶ (approximately 10% of the Scottish Government's Teaching Grant). It would be catastrophic for universities and many strategic subjects if this funding were to be removed from higher education. Not having certainty on this is a major obstacle to institutions' ability to plan and manage the impact of Brexit.

Preparations relating to staff and students

- Only a few institutions have a sense of the scale of applications for settled status amongst their EU national staff and estimate this to be in the range of 25-30%. This seems to broadly correlate with the numbers reported at UK level as applying/receiving settled status. In total, there were 6,500 EU nationals working in Scotland's universities in 2017/18, which equated to 13.4% of the staff population.
- 80% of respondents said they had communicated to staff and students about likely changes to immigration policy. 60% of respondents had encouraged staff to apply for settled status. Others stated they had tried to lead a supportive rather than prescriptive approach to this with their staff.
- 100% of respondents had evaluated internal risk to workforce planning and student recruitment based on EU staff and student numbers. 100% had identified where staff or students are due to join the university after 31 October and 100% had considered communications to them to encourage them to move their arrival date to before the planned exit date.
- 50% of respondents have ensured that UK students aboard and/or incoming EU students are covered by institutional insurance policies in the event that European Health Insurance Cards (EHIC) become invalid under a no deal exit.
- In relation to student mobility, 80% of respondents have assessed which mobility programmes are covered by the EU regulation for Erasmus+ and underwritten by the UK Government guarantee. There's been a high level of administrative and communications work needed: universities still need to comply with Competition and Markets Authority consumer law guidance to ensure accurate information is

⁶ The £90 million figure includes funding via the SFC and the fee element of undergraduate higher education which institutions receive via SAAS.



made available to students about the outward mobility opportunities available in degree programmes – even whilst there is no certainty from Government. 80% of institutions said they have already done this. 60% of respondents have communicated to students due to be on placement at the possible time of a no deal Brexit to reassure them they'll be unaffected and 50% of respondents had set aside funding to cover outward mobility should institutions lose access to Erasmus+.

Preparations relating to research

- 80% of institutions said they had uploaded details of Horizon 2020 research and innovation grants to the UKRI portal, 70% have checked that their Horizon 2020 projects fulfil the minimum criteria for underwrite, as set by the UK Government.
- 70% of institutions have been actively communicating the underwrite guarantee to EU partners, although one institution did report there was a low level of awareness about this within the EU and UK researchers were often the ones to highlight this.

Other preparations

- 100% have given consideration to a wide range of issues including staff shortages, risk of workers' rights, increased costs, increased tariffs and taxes, as a result of a no-deal Brexit.
- 100% of respondents had reviewed contracts and assessed supply chains for possible bottle-necks of supplies. 90% had already had conversations with their supply chains.
- 40% of institutions have thought about extending the amount and/or timescales of hardship funds available to students.
- 50% have considered stockpiling which can relate to everything from food supplies in residences to pharmaceutical and medical supplies. Whilst most are confident in their suppliers some cited fears of supply and cost post-Brexit (some had invested in IT equipment now to avoid the risk of price hikes later). Others said it was not possible to stockpile perishable items.

ENDS

