



The All-Party Parliamentary  
**University Group**

# The Higher Education Sector and Brexit

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Opinion essays

All-Party Parliamentary University Group

March 2017

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## Introduction

The All-Party Parliamentary Universities Group met at the end of October 2016 to discuss the effect that negotiations and a new deal would have on the higher education sector.

The discussion focused around concerns that students may be used as a negotiating point, the importance of ensuring continued collaboration of research, the Erasmus scheme, and finally how Brexit coupled with the Government's focus on an Industrial Strategy could provide an opportunity for the sector.

On Wednesday 29 March 2017, the Prime Minister triggered Article 50. As the Government turns to the negotiations it will be seeking to minimise any turbulence and maximise opportunities.

With this historic moment now having taken place, the officers of the group felt that it would be useful to hear opinions from different political parties on a few of the key issues for the sector over the negotiation period and beyond. They wished to present these to all members of the University APPG and to the wider interest public to help inform discussion.

## **“Brexit and staff recruitment” Alison Thewliss MP**

The UK-wide vote to leave the European Union has had a number of profound implications for society as a whole, not least as the result will have an uneven impact across a number of different sectors of the economy. Higher education is one of the sectors that has been under the spotlight since Brexit, and it’s not hard to see why.

28% of the UK's academic workforce are non-UK citizens, 12% from countries outside the EU and 16% are from EU countries. Scottish and UK universities are built on recruiting and retaining talented academic staff and on fostering international links and collaborations with other universities, and at the moment it is unclear how the UK Government intends to ensure these links are maintained and built on once the UK actually leaves the European Union.

### **Risks to higher education in Scotland**

The risks to the higher education sector in Scotland encompass a number of financial aspects. Anecdotal information from universities is indicating that researchers in Scotland and the UK are struggling to obtain funding for research from Horizon 2020 and the European Research Council (ERC), both core mechanisms for funding vital scientific discoveries and promoting international collaboration across the EU. The EU is a major funding stream for European universities and Scotland already performs well in the European funding arena – in the first 18 months since Horizon 2020 was set up to fund research collaborations Scottish universities were awarded €110 million of Horizon 2020 funding within the first 18 months – around 10% of the funding awarded to the whole UK. As ERC grant recipients must spend 50% of their time in an EU member state or associated country, it is clear that a great deal of thought is required to make arrangements for researchers to continue to access this vitally important source of funding. It creates an immediate problem that worried researchers may move from universities in Scotland to other countries in the EU as a means of providing reassurance and retention of existing grants under the ERC/Horizon 2020 programme.

I am yet to see any solid thinking from the UK Government on the challenges for retaining research funding in their approach to the Brexit negotiations, and at present there are no assurances from the UK Government that funding will continue on the same basis once the UK leaves the EU or will be matched by the Treasury. I share the concerns of academics about the implications of losing access to this funding for future projects and for Scotland’s reputation as a world-leading destination for academic research and the UK Government’s response does not go far enough in addressing these concerns.

Prior to the EU referendum I produced a report on the benefits of the European Union to the city of Glasgow and it highlighted the important role that international students and staff play in the life of the city. According to figures published by the 2016 International Student Survey, 82% of EU students and 35% of non-EU students said that Brexit would make the UK a less attractive destination for study. Based on present student numbers in the UK, this could mean that up to 113,116 international students could be deterred from coming to the UK to study as a result of Brexit, which will have a serious financial impact as well as a cultural impact on our universities.

### **Knowledge exchange**

Knowledge exchange is already facilitated within the EU through the Erasmus+ programme for students, but also through the Marie Skłodowska-Curie Actions within the Horizon 2020 programme. The Marie Skłodowska-Curie Actions programme offers unrivalled training and networking opportunities for researchers across the globe, which includes the annual European Researchers' Night, which serves as an opportunity to link young researchers from countries in the EU and beyond and demonstrate to them the value of a career in academic research.

### **An approach for Scotland**

In Scotland, we need a unique approach to reflect the reality that all local authority areas in Scotland voted to Remain in the EU and the clearly expressed will of the people of Scotland that they see their future as part of an EU based on research collaboration and innovation. We will only be able to do that through a clear approach, which guarantees the existing residency status of researchers from across the EU in the UK and seeks to protect and maintain the valuable international collaborations that the EU has helped to facilitate over the last few decades.

## **“Brexit and EU students” Flick Drummond MP**

The UK has a world-leading university sector, traditionally attracting talent from around the world. That is not just a legacy of Empire or by virtue of the English language – the UK competes because it has superb institutions and staff. The UK higher education sector has got used to facing improving overseas competitors, and it is increasingly difficult for universities to ignore market economics. Institutions and academics collaborate, but they are also chasing a finite level of funding and numbers of students around the world.

Brexit introduces a number of uncertainties for the future to society, but the concerns of universities should be listened to carefully by the government. In my constituency, the University of Portsmouth has grown in stature in a number of fields, and has broken into the top tier of European establishments. The concerns of the university are also the concerns of a large number of my constituents, and I share them.

### **Contribution of EU students**

EU students contribute a great deal to UK universities and the wider economy. They have been excellent ambassadors for the UK, often without realising, when they return home or move on in the world. They acquire an understanding of our attitudes, institutions, and culture. They form relationships with people here which are often beneficial to both sides later on. The Erasmus programme has been recognised around Europe for its social value as well as its academic value.

It is very valuable for British students to be able to study in the EU. Businesses want prospective employees to have a “global outlook”, and to be able to empathise with people from a wide range of backgrounds. It makes sense to train our students in an environment which sets them up for their working lives.

UK academics will also want the same assurance that they can work and liaise with their colleagues overseas as they have now. The ability to work on transnational projects and maintain international networks of research is very important. So too is the continued recognition of qualifications and standards across borders. Standards recognition will be a key issue all the way across our Brexit negotiations, because without it we will find it very difficult to engage with the EU on any level.

While EU students cannot be charged higher fees than their UK counterparts at present, they do still make an important economic contribution. There are courses which are only viable because they are able to recruit from a wide pool. The University of Portsmouth has an MSc in Counter Fraud and Counter Corruption Studies which is composed of 40% EU students, and another 30% of non-EU overseas students on top of that.

At Southampton Solent University, the BEng Yacht and Powercraft Design course has a majority of EU-national students. It is an internationally-renowned course, and one of its graduates has designed yachts which have won the Vendee Globe race, the world's most challenging event.

The Modern Foreign Languages PGCE at Portsmouth is nearly 75% EU students. We have fewer UK students taking foreign languages, and there is a terrifying skills shortage in prospect in language teaching as a result. We increasingly depend on foreign students qualifying as teachers here.

Post-graduate courses in many technical, scientific and IT subjects are between a third and a half composed of EU students. The future of our research and development, in universities and in industry, relies on being able to attract top-quality people from around the world. That applies to university staff, too. One of the areas where Portsmouth University has a leading capability is in its Institute of Cosmology and Gravitation. It has more non-UK staff than UK staff. There are over 30,000 scientists from around the EU working at our universities. Universities want assurance that they will be able to recruit the best staff, wherever they come from. We should let them do so.

Nobody expects that for EU students the door will suddenly slam shut. UK universities also attract large numbers of non-EU overseas students, and moreover they are free to set higher fees for them than for UK/EU entrants. But the uncertainty is already proving to be a brake on recruitment and enrolment from the EU. Post-Brexit UK universities may face a different kind of competition for talent from their former EU counterparts. Unless we are able to agree a reciprocal deal, EU students could need visas in the same way that non-EU students do. This will add to the burdens on the immigration authorities, institutions, and students.

### **Priorities for the negotiations**

An immediate priority must be sorting out a guarantee for EU nationals already in the UK as the first item in the Brexit negotiations. Our government has already urged all 27 of our EU colleagues to deal with this so that EU nationals here and UK nationals abroad can avoid uncertainty. I am sorry that our partners are blocking this. I hope EU nationals in the UK will feed back to those governments that their attitude is senseless. The UK government is in no doubt of the importance of settling the issue quickly.

The other key issue is access to funding. The government has guaranteed that Horizon 2020 projects will be funded after Brexit whatever happens. UK Research and Innovation has been created because the government recognises the importance of these things to our

industrial strategy. We must make sure that the portion of our EU contribution currently returned to the UK higher education sector by the EU is matched directly post-Brexit. There is a good argument for saying we should be increasing our spend on higher education!

Our higher education sector is at once a successful export industry, an incubator of future UK talent, and a generator of new ideas and technologies which drive our country forward. Brexit creates a number of uncertainties, but it does not in itself undermine the strong fundamentals of our higher education sector. Everyone with an interest in our universities must work together to overcome the challenges and move the UK forwards.

## “Brexit and research” Dr Roberta Blackman-Woods MP

The UK’s vote to leave the EU in June sent shockwaves through the higher education sector in the UK. Even before Article 50 was triggered, it was clear that the effect on the higher education sector, and in particular, research, could be substantial. This section will examine the likely impact of Brexit on research funding and collaboration and the consequences for EU nationals living, working and studying at UK universities. It will suggest some actions that both the Government and universities in the UK can take to mitigate the possible downsides of Brexit, and ensure that the UK’s higher education research sector retains important European links and stays at the heart of both European and global research networks.

### Research funding

One of the most obvious impacts of Brexit on research is the issue of research funding. In the 2014/15 year, UK universities received £836 million in research grants and contracts from EU sources<sup>1</sup>. As CaSe has pointed out the UK is a net receiver of EU funding for research; receiving £8.8bn between 2007 and 2013 compared to an indicative contribution of £5.4bn, a net gain of £3.4bn over the period and a sizeable funding gap to fill. The Government has responded, in part, to the question of where the money will come from for UK research projects when the UK leaves the EU by guaranteeing that any of the Horizon 2020 project’s £60 billion budget which is granted to UK research projects before the UK leaves the EU will continue after the UK’s exit from the EU<sup>2</sup>. Whilst this is welcome, there is much more that needs to be done to ensure that the current levels of funding are maintained in the aftermath of Brexit. Also, it needs to be recognised that Horizon 2020 funds have a wider distribution across the university sector than those from research councils so how replacement funds are applied is important too.

One way the Government could act to alleviate concerns about funding would be to set up groups similar to the existing industrial strategy challenge fund, which will help to fund research in areas linked to the UK’s industrial priorities<sup>3</sup>. If similar funds for different regions and/or devolved area could be established, it would provide a degree of clarity to universities and researchers as to the general types of research the Government is likely to look to fund once the UK leaves the EU and no longer has access to European funding streams.

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<sup>1</sup> <http://www.universitiesuk.ac.uk/news/Pages/economic-impact-on-the-UK-of-eu-research-funding-to-universities.aspx>

<sup>2</sup> <https://www.gov.uk/government/news/chancellor-philip-hammond-guarantees-eu-funding-beyond-date-uk-leaves-the-eu>

<sup>3</sup> <https://hansard.parliament.uk/commons/2016-12-19/debates/292C9A19-9A13-482A-961B-F893AEE899E9/ExitingTheEUScienceAndResearch>

There is also the issue of indirect research funding to consider as a number of universities have benefited from European structural funds, such as ERDF, and social funds (e.g. ESF) too. Some universities have also taken advantage of the ability to take out loans from the European Investment Bank (EIB). Some universities have also taken advantage of the ability to access loans from the EIB to develop their campuses<sup>4</sup>. As a non-EU member, the UK will no longer be able to access loans from the EIB unless this is unilaterally agreed by the EIB's board of governors<sup>5</sup>, meaning UK universities could lose access to an important source of finance for future infrastructure and development projects.

### **Research collaborations**

Anecdotal data from UK researchers suggest that they are already being excluded from some projects as EU researchers are concerned that the inclusion of British researchers could damage their chances of accessing Horizon2020 or other European funding streams. UK researchers do work with universities and institutions across the world, however collaborations with European partners are significant, with 47% of the UK's co-authored articles published between 2008 and 2012 being written with EU or European Economic Area (EEA) research partners. Collaboration with researchers in other EU countries is high partly because the framework provided by Horizon 2020 and the European Research Council (ERC) makes it easier to submit joint bids for funding which involve partners from multiple countries. The Government should therefore have an objective of securing continuing access to EU research networks after the UK leaves. Ideally they would also retain some influence over the design and allocation of future EU research funding streams, although how this will be achieved is far from clear at present.

### **Research staff**

The impact of Brexit on research staff is likely to be extensive although it could be minimised somewhat if the Government were to provide guarantees about the future ability of EU nationals working in the UK to remain after the UK leaves the EU<sup>6</sup>. Researchers living and working in the UK are understandably very concerned about their future and the uncertainty about whether they can continue to live and work here once Brexit takes place. As a result of this, many research staff who are EU nationals may consider leaving their current role and apply for work elsewhere in the EU, where their future is less uncertain. In general of course, EU nationals may stop applying for academic/research jobs in the UK. This could lead to difficulties with staff recruitment, as research by the Higher Education Funding Council for England (HEFCE) found that almost 40% of new academic posts created between

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<sup>4</sup> <https://www.ucl.ac.uk/news/news-articles/0416/280416-european-investment-bank>

<sup>5</sup> <https://www.ft.com/content/67715276-5742-11e6-9f70-badea1b336d4>

<sup>6</sup> <http://www.bbc.co.uk/news/business-38359632>

the 2004/5 academic year and the 2014/15 academic year were filled by EU nationals from outside the UK.

### **Research students**

Around 125,000 students at universities in the UK are from other EU countries<sup>7</sup>, and as these students generate £3.7bn for the UK economy and support over 34,000 jobs in the UK<sup>8</sup>, the impact of a decrease in EU student numbers could be significant and negative, not just for universities and the higher education sector, but also for the wider economy. Research students play a key role in the ability of UK institutions to carry out high quality research, and their importance to the sector should not be underestimated.

Research students will be further affected by Brexit if the Government makes changes to the fees they pay, and the loans and grants they are able to obtain to help them study and carry out research whilst in the UK. The Government has guaranteed that all EU nationals who are currently receiving student loans, or who will start to receive student loans in the next few academic years will be covered for the duration of their course. There are however very few guarantees when we look further ahead to new generations of students, especially those who are applying after 2018/19. At the moment, students from the rest of the EU pay the same fees as UK nationals at UK universities, but if they end up paying more and not having access to loans this could result in a substantial decrease in EU student numbers which would be damaging to some HE institutions.

### **The way forward**

It is undeniable that Brexit presents a number of challenges for the UK's Higher Education sector, and particularly for research, as this paper has discussed. There are threats to the ability of UK researchers to have access to funding; to participate in EU and international research networks; and there may also be issues with the recruitment and retention of staff from EU member states. These challenges can be overcome, but both the Government and UK universities need to act to prevent significant problems with research funding, and staff and student recruitment emerging. The Government needs to commit to replacing research and innovation funding lost by the UK exit from the EU, and this will need to be in excess of the money already allocated in the 2017 Spring Budget for this purpose.

As UUK, CaSE, the Russell Group and others have argued, the Government should also provide innovation-focussed capital investment projects to replace funding opportunities currently available through European Structural and Investment funds, which are likely to be lost post Brexit. Consideration should also be given to establishing some regionally based

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<sup>7</sup> <http://www.universitiesuk.ac.uk/news/Pages/eu-students-vital-to-regional-economies.aspx>

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funding streams. The Government should establish a cross-government approach to support international research and consolidate and expand funding mechanisms for international research.

The Government should take immediate steps to reassure EU nationals currently living and working in the UK that they will not be forced to leave the UK once Brexit takes place. They need to provide more in-depth information about how they foresee a new immigration system working for prospective EU students and researchers, and how this will correlate to their ability to apply for fees, grants and loans to enable them to carry out research.

But it is also important that UK universities continue to develop international research collaboration and build upon existing relationships with universities both in the EU and in other countries. UK universities need to market themselves globally as attractive destinations for study and work once the UK leaves the EU. The Government need to assist with this by putting research funding and innovation central to their international trade negotiations. They also need to stop giving out such negative messages about international students coming to study in the UK.

In short the Government must recognise the vital importance of university research to the future of the UK economy and take action immediately to protect it against the worst aspects of Brexit and do all that it can to expand university research internationally in the post Brexit world.