House of Commons
Education Committee

Exiting the EU:
challenges and
opportunities for
higher education

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Report, together with formal minutes relating
to the report

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The Education Committee

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Summary

Higher education in the UK is a world class sector: our universities rank amongst the best and produce highly-regarded research, making them attractive to international students and staff. The UK’s impending exit from the EU has created significant uncertainty as links between our universities and those on the continent run deep. If the Government does not address the specific concerns within the HE sector, there is a risk that Brexit will damage the international competitiveness and long-term success of our universities.

The Government’s negotiations with the EU are now beginning. We have suggested a number of areas upon which it should prioritise, and also made recommendations for new directions outside of the negotiations:

- The uncertainty over EU students and EU staff needs to be reduced immediately. Guaranteeing that the 2018/19 student cohort will have the same fees and tuition loan access will create short-term stability. For staff, the issue of their residency rights require speedy resolution—the Government should react to any delay in reaching a reciprocal agreement by unilaterally guaranteeing rights before the end of 2017.

- The immigration system after Brexit should cater more particularly for the needs of higher education. It should facilitate, rather than obstruct, movement of people from and to our universities. An easier route than Tier 2 for academics from across the globe, with a less bureaucracy, is necessary.

- The best model for all international students, including from the EU, is an open approach with few barriers. The Government should remove overseas students from the net migration target to make it clear it wants talent to come to the UK. This will help ensure that higher education can continue to benefit from EU students, but also talent from the rest of the world.

- Research collaboration with Europe is essential to higher education. The Government should commit to Horizon 2020 and future research frameworks to ensure ongoing research collaboration with the EU, but it would be prudent to develop a plan to match its funding domestically in a scenario in which this access fails.

- Erasmus+ is an important programme for student and staff mobility and continued membership should be a Government target; if this looks unlikely, we recommend a home-grown replacement that could include mobility beyond Europe. Whatever the result, we recommend an ambitious mobility strategy with universities.

- To support the sector and help rebalance the economy, the Government should establish a new regional growth fund to replace, and exceed, the investment from European structural funding. We also recommend the value of ‘place’ is fully articulated in the allocation of domestic funding to ensure all regions can benefit.
To take advantage of the global reach of our universities, a bold cross-Government strategy is needed. Higher education should play an important role in upcoming trade deals with the rest of the world. The Government should pursue collaborations with major research nations and invest further resources into existing collaboration funding.

By following the steps we recommend, the Government will ensure that higher education in our country can deal with the challenges of leaving the EU and be in position to take advantage of local and global opportunities.
Introduction

Background

1. Higher education in the UK is a global success. UK universities are highly regarded worldwide—according to different rankings, there are either three or four universities in the world’s top 10— and produce world-class research. The UK is ranked first by field-weighted citation impact, an indicator of research quality, ahead of USA and other comparator countries and produces 15.9% of the world’s most highly-cited articles. The UK is the second-most popular destination in the world for international students. The higher education sector is valuable to the country: in 2011–12, universities generated an annual output of £73 billion for the UK economy, contributed 2.8% of GDP and supported over 750,000 jobs.

2. The higher education sector in the UK has strong ties to the EU. Collaboration and co-operation between UK universities and institutions on the continent are facilitated by:

- the free movement of students from the EU, and vice versa;
- the free movement of staff from the EU, and vice versa;
- membership of EU research programmes, which provide significant funds to universities and facilitate collaboration;
- membership of Erasmus+, which provides funding for work and study placements abroad to support student and staff mobility.

3. In June 2016, the UK voted to leave the European Union. On 29 March 2017, the Government formally notified the European Union of its intention to withdraw under Article 50 of the Treaty on European Union. It is predicted this will happen before the end of March 2019. The result of the referendum has raised the question of how higher education will be affected by this profound change. There is a great deal of uncertainty surrounding the consequences for higher education of the UK exiting the EU. There is also the prospect of new opportunities for UK higher education outside of the negotiations with the EU. Higher education is currently being reformed by the Higher Education and Research Bill making its way through Parliament. Although we did not take evidence on its impact, we note that this wide-ranging Bill creates extra uncertainty for the sector during the Brexit negotiations.

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2 Elsevier, International Comparative Performance of the UK Research Base - 2013 (December 2013), p 8
3 As above
4 Universities UK, International higher education in facts and figures (June 2016) p 4
5 Universities UK, The impact of universities on the UK economy (April 2014) p 4
6 HC Deb, 29 March 2017, col 251
7 The Bill proposes that a new body—UK Research and Innovation (UKRI)—will be a single body condensing all seven Research Councils, Innovate UK and the research functions of the Higher Education Funding Council for England (HEFCE). The Bill also proposes to introduce the Teaching Excellence Framework, a mechanism to assess the quality of teaching in higher education institutions in England, and proposes changes to the regulatory framework in which universities operate. See Higher Education and Research Bill [Bill 112 (2016–17)]
Our inquiry

4. We launched our inquiry on 29 September 2016. We received 197 written submissions from a wide range of sources, including close to 40 universities. We took oral evidence away from Westminster on three occasions, at the University of Oxford, University College London and Northumbria University, and heard from a range of witnesses, including university leaders, academics, and student and staff representatives. In December 2016 we held an engagement event at London South Bank University with higher education students and staff, which helped us inform our inquiry at an early stage. We also invited students enrolled on the Parliamentary Studies module at UK universities to conduct parallel inquiries and report back to us—the submissions can be found in full in Annex 2. We thank everyone who provided evidence.

5. Our inquiry builds on analysis from other sources, including from committees in both Houses. We decided that given the Government’s unwillingness to provide information in advance of the Article 50 process, a ministerial session would not be a fruitful exercise as part of this inquiry. We intend to invite the Government to give oral evidence in the near future to respond to this Report, at which point the picture—or parts of it—will be clearer.

The withdrawal process and the future relationship with the EU: possibility of ‘no deal’

6. The formal notification of the UK’s intention to withdraw from the European Union via Article 50 establishes a window of negotiation of two years on the terms of the exit. The Government has declared its intention to walk away from the negotiations if it does not find the final terms suitable. The Foreign Affairs Committee concluded in March 2017 that “there are many reasons why the negotiations might fail” and therefore “the possibility of ‘no deal’ is real enough to justify planning for it”. The prospect of ‘no deal’ with the EU creates serious uncertainties for the higher education sector in terms of residency, immigration, collaboration and membership of EU programmes. Universities need time to plan. The higher education sector cannot stand still in the two year negotiating period, with no understanding of what the future might look like, without jeopardising its global success. Given ‘no deal’ is both possible and could have serious consequences for higher education, the Government will need to consider contingencies or it will be failing in its duty to protect the sector.

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8 In partnership with the Petitions Committee, we invited all signatories of petition 136595, ‘Maintain the Erasmus scheme despite Britain’s exit from the European Union’ for their views on our inquiry. This resulted in 70 written submissions.
9 Further details can be found in Annex 1.
11 See, for example, HC Deb, 07 December 2016, col 224.
12 See, for example, Number 10, Speech: The Government’s negotiating objectives for exiting the EU, 17 January 2017; HM Government, The United Kingdom’s exit from and new partnership with the European Union, Cm 9412, February 2017, p 65.
7. On Wednesday 15 March 2017, the Secretary of State for Exiting the European Union, Rt Hon David Davis MP, told the Committee on Exiting the European Union that he had briefed the Cabinet on the need for contingency planning. There is a need for effective working between the Home Office and the two Departments responsible for higher education—Education and Business, Energy and the Industrial Strategy—as planning by the former would be significant for student and staff migration in a ‘no deal’ situation. A clear plan would provide valuable reassurance to universities and allow the sector to prepare during this uncertain period.

8. The Department for Education, in co-operation with the Home Office and the Department for Business, Energy and Industrial Strategy, should publish a contingency plan for higher education to prepare for a ‘no deal’ situation. This plan should set out clear proposals to ensure potential risks are mitigated.

9. In our Report we make recommendations for negotiation priorities, contingency planning, and opportunities.
1 People

Students

10. In 2015–16, there were 2.28 million students at UK universities, \(^{15}\) 127,440 of whom were from the EU (5.6%) and 310,575 (13.6%) of whom were from non-EU countries. \(^{16}\) EU students have a right to reside in the UK as stipulated in the Citizens’ Rights Directive (see Box 1) as long as they are enrolled on an accredited course and have comprehensive sickness insurance. \(^{17}\) EU law prevents discrimination on the basis of nationality. On that basis, EU nationals studying in the UK have the same rights as home students. As such, in England, EU students pay the same fees as home students—up to the maximum of £9,250 per year—and are eligible to apply for a tuition fee loan. The DfE estimated that around 65% of EU students on full-time courses eligible for tuition fee loan received the support in the academic year 2013/14 (compared to 90% of English students). \(^{18}\) This is in contrast to international students, who must meet the eligibility requirements for a Tier 4 (General) student visa \(^{19}\) and who pay the overseas rate for tuition fees (which has no limit).

11. The rights of EU students currently studying in the UK after Brexit, and the immigration rules for future EU students, is unknown. The Government has guaranteed full funding and financial support for EU students starting their course in 2017/18, but there is currently no clarity on the funding status of EU students for the academic year 2018/19 and beyond. The timing of the Government’s announcement on 2017/18 funding was criticised in our evidence. \(^{20}\) It was communicated just three days before the 11 October application deadline. Nonetheless, this reassurance, albeit late, was the correct move and we welcome the Government’s efforts to provide clarity.

12. We heard in our evidence how important it was to provide the same clarity on the status of EU students in 2018/19 and 2019/20. The Russell Group told us this should be one of the Government’s short-term priorities as it would help provide the message that the UK would continue to welcome EU students. \(^{21}\) Professor Andrew Wathey, Vice-Chancellor of Northumbria University, said that this was something urgent that could easily be resolved. \(^{22}\) The fee status of EU postgraduate students was also a concern in our evidence. Postgraduates support research activity in the UK, and EU students make up a larger proportion of all postgraduates than undergraduates. \(^{23}\)

13. UCAS released data for the January deadline for university places in February 2017, which showed that EU undergraduate applications had declined by 7.4% across the sector.

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\(^{15}\) HESA, ‘Higher education enrolments and qualifications obtained at higher education providers in the United Kingdom 2015/16’, accessed 30 March 2017

\(^{16}\) As above

\(^{17}\) EEA citizens and their family members are allowed to use the NHS in the UK, but the Home Office does not count this as comprehensive sickness insurance.

\(^{18}\) Department for Education (XHE00159) para 38

\(^{19}\) These include: being offered a place on a course, proving knowledge of the English language, possession of sufficient money to support themselves and pay for their course, from a country not in the EEA, and other requirements. See more details: Home Office, ‘Tier 4 (General) student visa,’ accessed 30 March 2017

\(^{20}\) See, for example, Q21 (Professor Barnard), The University of Cambridge (XHE0084) paras 19–21, Universities UK (XHE0195) para 13. The October deadline, or the ‘early deadline’, is for any course at the University of Oxford and Cambridge, and most courses in medicine, veterinary medicine/science, and dentistry.

\(^{21}\) The Russell Group (XHE0094) para 3.4

\(^{22}\) Q132

\(^{23}\) See, for example, Q26 (Professor Buchan), Q90 (Sally Hunt)
over the last year.\textsuperscript{24} Professor Alistair Fitt, Vice-Chancellor of Oxford Brookes University, pointed out that this reduction occurred despite these students knowing they would have access to tuition fee loans.\textsuperscript{25} It is likely this figure will drop even further if there is uncertainty over 2018/19 loan support or, beyond that, the future migration status and residency rights of students from the EU. The University of Cambridge told us that:

\begin{quote}
It is clear that uncertainty around EU student status will create turbulence in numbers applying and being admitted, and the University anticipates a fall in numbers—even before any change in fee levels [ … ] Assuming that EU students move to the unregulated international rate it is almost certain that application numbers will fall further. We are currently modelling a two-third reduction in admissions from the non-UK EU.\textsuperscript{26}
\end{quote}

14. We discussed the potential financial impact of fewer EU students at several of our meetings, in terms of both the higher education sector and the wider economy. A report by London Economics (commissioned by the Higher Education Policy Institute and Kaplan) concluded that the removal of tuition fee support would likely cause demand from EU students to decline by potentially as much as 57%.\textsuperscript{27} However, the report found that based on the forecast depreciation of the pound and harmonisation of tuition fee charges with international students, the financial impact on the wider sector could overall be positive. The analysis by London Economics was based on historical data, and assumed factors would remain constant, such as sentiments towards the UK and the general attractiveness of the sector. It is also reliant on the Government being open to an increase in the recruitment of international students. When we asked Dr Gavan Conlon, one of the co-authors of the report, about its reliability, he told us:

\begin{quote}
The issue is about the uncertainty. As an economist, this holds everything else constant. Because it is historical data, this assumes that there is no identifiable impact of Brexit in terms of how people perceive the UK economy or the UK higher education institutions [ … ] So we cannot say, but, if everything else was equal, this is the sort of effect we would see: £2 billion per annum. What the effect of Brexit is, the reputation of UK higher education and perceptions, it will potentially be lower than that but you would imagine it would be positive.\textsuperscript{28}
\end{quote}

15. It is difficult to argue against retaining the attractiveness of the UK higher education sector for EU students, though, as in 2011/12 they generated an estimated £3.7 billion for the UK economy and 34,000 jobs.\textsuperscript{29} The report by London Economics suggests that if the Government can ensure the sector remains appealing to EU students, it could be favourable to both higher education finances—of up to £463 million in additional income a year—and the rest of country, with up to £2 billion a year forecast to be available.\textsuperscript{30}

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\textsuperscript{24} UCAS, ‘Applicants for higher education down: 5% for UK students and 7% for EU students,’ accessed 20 March 2017
\textsuperscript{25} Q26
\textsuperscript{26} The University of Cambridge (XHE0084) paras 8–9
\textsuperscript{27} London Economics, The determinants of international demand for higher education: final report for the Higher Education Policy Institute and Kaplan International pathways (January 2017) p 43
\textsuperscript{28} Q113
\textsuperscript{29} Universities UK (XHE0195) para 4
\end{flushright}
16. The higher education sector needs to be able to maintain its competitiveness internationally. Europe is our closest market geographically for students. The UK is currently the most popular destination for students from the European Economic Area (and candidate countries) wanting to study abroad. Through analysis of figures from the European Commission from 2014, we estimate the UK received around 132,000 students from other EU member states, with Germany in second place with around 88,000, and Austria, France, Italy and the Netherlands ranging somewhere between 40,000 and 50,000. Nicola Dandridge, Chief Executive of Universities UK, noted in response to the UCAS figures:

[ ... ] this is coinciding with our competitor countries, particularly in the EU, seeing this as a huge advantage for them and they are redoubling their marketing efforts since Brexit is posing a good opportunity for them to recruit internationally mobile EU students, quite regardless of international students.

17. Dr Jo Beall, Director of Education and Society at the British Council, commented on the increasing regionalisation of the international higher education market:

We are losing market share from south-east Asian students who are going to Australia, Malaysia and so on. In a context where the US is capitalising on Latin America, and Australia on south-east Asia, we would be mad to lose our regional market and our regional connections.

18. We were also told about the consequence of a reduction in the number of EU students for diversity and culture of higher education. Birkbeck, University of London, said fewer EU students in England “may lead to a loss of cross-cultural fertilisation of ideas and culture on our campuses.” Sorana Vieru, Vice-President for Higher Education at the National Union of Students (NUS), said that EU students challenge perspectives, enrich the overall university experience and help home students develop new views.

19. The Government should guarantee home rate fees and access to tuition fee loans for EU undergraduate students starting in England in the academic year 2018/19 well in advance of the early deadline for course applications. The status of postgraduate students should also be clarified. This will create some immediate stability during the negotiations.

20. It is important that the higher education sector is given enough notice of any changes to the migration status of EU students, their fee rate and access to loans. The Government needs to ensure sufficient time for universities and others in the higher education sector to adjust and plan ahead. It must also ensure that changes to fees or loans do not occur midway through a student’s course.

21. We believe the best model for EU students is to retain a reciprocal open approach with light touch controls, such as visa-free access, which would enable preservation of a

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31 Analysis of data in Tables 1 and 2 from Eurostat, ‘Learning mobility statistics,’ accessed 30 March 2017
32 Q116
33 Q82
34 Birkbeck, University of London (XHE0086) para 2
35 Q87
system closely resembling freedom of movement. We recommend the Government takes this open approach with all international students if it is serious in its desire for the UK to remain a global leader in higher education.

**International students and the migration target**

22. The Prime Minister has reiterated\(^{36}\) the Conservative Party’s manifesto commitment to reduce net migration to below 100,000 per year.\(^{37}\) As of February 2017, net migration is at 273,000.\(^{38}\) The Government includes international students in its net migration target because it follows the United Nations definition, which states that a long-term international migrant is a person who moves to a country other than their country of residence for at least a year.\(^{39}\) In its White Paper on Brexit, the Government has expressed its desire to maintain the supply of talent coming into the country.\(^{40}\) The desire to reduce net migration into the UK creates some tension with this simultaneous desire for talent. While it is true there is no formal cap on international students, as the Government has repeatedly stated,\(^{41}\) these students are nonetheless part of a wider group that the Government wants to actively reduce. Furthermore, a possible reduction in international students was also implied by the Home Secretary, Rt. Hon Amber Rudd MP, at the Conservative Party conference in October 2016.\(^{42}\)

23. The majority of our written evidence and witnesses at our meetings around the country were clear that removing international students from the net migration target would help offset risks to higher education from leaving the EU.\(^{43}\) Our evidence was unanimous in saying that international students were a positive force in both economic and educational terms. In 2014–15 international students contributed £25.8 billion in gross output via on- and off-campus spending, and supported 206,600 jobs.\(^{44}\) We heard they contribute to the diversity and quality of higher education, as well as the UK’s soft power abroad.\(^{45}\) Dr Peter Simpson, Director of the N8 Research Partnership said:

> International students are an unmitigated good thing for the UK [ ... ] At every single stage in their life cycle they are benefiting the UK. The tone from the Government that international students are in some way a problem to be solved seems to be wholly foolhardy. They are not a problem to be solved. They are a benefit to be celebrated and to be welcomed.\(^{46}\)

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\(^{36}\) HC Deb, 20 July 2016, col 826


\(^{38}\) *‘Net migration to UK falls by 49,000’*, BBC News, 23 February 2017


\(^{40}\) HM Government, *The United Kingdom’s exit from and new partnership with the European Union*, *Cm 9417*, February 2017, paras 5.1–5.2

\(^{41}\) See, for example, PQ 66301 [on overseas students], 02 March 2017, PQ 51675 [on overseas students], 02 November 2016


\(^{43}\) See, for example, Q26 (Professor Barnard), Q57 (Professor Haywood, Professor Roper), Q91 (Rosie Birchard, Sorana Vieru, Sally Hunt), Q122 (Nicola Dandridge), Q123 (Professor Arthur), Q129 (Dr Conlon), MillionPlus (XHE0078) paras 21–36, London School of Economic and Political Science (XHE0107) paras 21–23, University of Cambridge (XHE0084) paras 19–20

\(^{44}\) Universities UK, *The economic impact of international students* (March 2017) p 2

\(^{45}\) See, for example, Qq87–89, British Council (XHE0199) para 2.3, Dr Liz Gloyn (XHE0075) para 5, GuildHE (XHE0169) para 10

\(^{46}\) Q157
A ComRes poll of 2,000 British adults after the referendum in 2016 found that only 24% thought international students were immigrants—with only a 2 point difference when split into Leave (25%) and Remain (23%) voters. 71% said they would support policies to boost growth by increasing overseas students.47

24. Currently, the UK is second only to the USA in attracting international students.48 Hobsons’ annual International Student Survey found that 36% of prospective international students felt the vote to leave the EU had made them less likely to study in the UK.49 An NUS poll found that even in 2014 slightly over half of overseas students thought the British Government was either not welcoming or not at all welcoming to international students.50 Even before the referendum, overseas recruitment had stagnated—key international markets have suffered, with half as many Indian students as in 2015 compared to 2010,51 and overall there has been a decline of 2%.52 Meanwhile, the share of competitor countries like Australia, Canada, and Germany is growing year by year by around 8%.53 Other countries, including the UK’s main competitors for international students like the USA, Canada and Australia, consider students as temporary migrants rather than permanent migrants.54

25. The main source for calculating net migration is the International Passenger Survey (IPS). From 2012, the IPS has included a question asking all emigrants who were former immigrants their main reason for moving to the UK when they originally immigrated. The data shows a significant gap between the number of students recorded as entering the UK and former students departing—suggesting that around 90,000 students overstay their visas. The IPS has faced criticism for its method of recording international students. Universities UK told us that the IPS was a questionable evidence base, for several reasons, including: small sampling size, margin of error, and potential unknown biases.55 Newcastle University said in their written evidence that the IPS is “flawed and significantly overestimates how many students overstay their visas”.56

26. Other studies have suggested far fewer international students overstay than the Government believes—for example, the Annual Population Survey estimates the number is closer to 30–40,000, with the majority of these employed full-time. In October 2016, The Times reported that a leaked Home Office-commissioned report has concluded that only 1% of international students overstay their visas—which would mean around 1,500 overstayed a year, compared to IPS figure of 90,000.57 This figure is reportedly based on new exit checks, introduced in April 2015, for which no data has yet been released. The Government has also indicated that the Office for Students, once formed, would have powers to gather the information it needs on international student numbers.58 In our pre-appointment hearing with Sir Michael Barber, now the Chair of the Office for Students

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47 ComRes, Universities UK - international students poll (September 2016)
48 Universities UK, International higher education in facts and figures (June 2016) p 4
49 Hobsons (XHE0162) para 4
50 Q91 (Sorana Vieru)
51 Sannam S4 (XHE0102) para 13
52 Universities UK, International students in higher education: the UK and its competition (2014) p 23
53 Creative Industries Foundation (XHE0188)
54 See, for example, Oral evidence taken by the Business, Innovation and Skills Committee on 26 June 2012, HC (2012–13) 425, Qq8, 13, 21
55 Universities UK (XHE0208) paras 4–8
56 Newcastle University (XHE0104) para 5.5
57 ‘Ministers hide report on migrant numbers’, The Times, October 13 2016
58 HL Deb, 13 March 2017, col 1685
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(OfS), he confirmed that the OfS would have a role in ensuring universities were recruiting international students “from all over the world based on merit”.\(^{59}\) We note that we did not take evidence on post-study work visas.

27. Over the last few years, six parliamentary committees have recommended the removal of students from the net migration target.\(^{60}\) There also appears to be a diversity of opinion within the highest levels of Government, with both the Foreign Secretary, Rt Hon Boris Johnson MP, and the International Trade Secretary, Rt Hon Dr Liam Fox MP—two supporters of the campaign to leave the European Union—reportedly expressing their disagreement with the Prime Minister.\(^{61}\) To sum up, there is widespread support for treating international students as temporary rather than permanent migrants: from the public, Parliament, and parts of the Government.

28. **International students should be removed from the net migration target. The Government’s refusal to do so is putting at risk the higher education sector’s share of the international student market.** Removing international students from the target would be a simple way to offset some of the risks from leaving the European Union. For domestic policy purposes, these students could be recorded under a separate classification and not be counted against the overall limit. The Office for Students should monitor and report on the overall trends of international student recruitment. The Government should continue to improve its data recording, prioritising exit check data.

**Staff**

29. 31,635 EU staff work at higher education institutions in the UK and comprise 16% of the total workforce.\(^{62}\) Over the last six years, these numbers have grown by over 10,000.\(^{63}\) While the UK remains an EU member, EU citizens have the right to reside and the freedom to work in the UK. The 2004 Citizens’ Rights Directive, or the Free Movement Directive, consolidated the provisions on the right of citizens and their family members to move and reside freely in EU Member States (see box 1). The future residency rights of EU citizens currently living in the UK remain to be clarified.

30. The Government’s recent White Paper on Brexit outlined its 12 priorities for the upcoming negotiations.\(^{64}\) Priority number six stated that the Government wanted to

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59 Oral evidence taken on 21 February 2017, HC (2016–17) 882, Q10
61 ‘Boris Johnson risks row with Theresa May over dropping students from net migration statistics’, The Independent, 4 December 2016; ‘Downing Street and Liam Fox fall out over student immigration statistics’, The Independent, 15 March 2017
62 HESA, Staff numbers and characteristics, accessed 30 March 2017
63 Department for Education (XHE0159) para 46
64 HM Government, The United Kingdom’s exit from and new partnership with the European Union, Cm 9417, February 2017
“secure the status of EU citizens who are already living in the UK, and that of UK nationals in other Member states, as early as we can”. The current uncertainty for EU nationals over their future status was one of the major concerns for the UK higher education sector.65

Box 1: The Free Movement Directive

EU citizens (anyone with the nationality of an EU country) possessing a valid identity card or passport may:

- Enter another EU country (with family members, whether EU citizens or not) without an exit or entry visa;
- Live in another EU country for up to 3 months without any conditions;
- Live in another EU country for longer than 3 months if employed or self-employed. Other people not working for payment or retired are required to have sufficient resources and sickness insurance.
- Register with relevant authorities if living in the country longer than 3 months. Family members if not EU nationals require a residence card.
- Be entitled to permanent residence if they have lived legally in another EU country for a 5 year continuous period.
- Have the right to be treated equally to nationals of the host country.


31. A survey by the University and College Union (UCU) in early 2017 questioned its members on the impact of the EU referendum result.66 Over three-quarters (76%) of EU academics at UK universities said that, due to the referendum result, they were now more likely to consider leaving UK higher education. A Times Higher Education poll in March 2017 of academics found that 53% of non-UK nationals were “actively looking to leave the UK” and 88% said that the prospect of Brexit has made them more likely to do so in the medium- to long-term.67 Although an objection to the “hostile current climate” caused by the referendum result was cited as the main reason, 40% of respondents also cited fears over their future immigration status.

32. Professor Margret Wintermantel, President of the German Academic Exchange Service (DAAD), told us that:

the British Government should guarantee the current status of EU national academics at United Kingdom universities. Furthermore, the freedom of movement for academics from EU nationality who wish to join UK universities in the future should be secured [ … ] This would benefit all

65  See, for example, Case for Science and Engineering (XHE0187) para 8, Engineering Professors’ Council (XHE0122) para 13, The Open University (XHE0180) para 17, The Russell Group (XHE0094) para 5.15, University of Sheffield (XHE0114) para 10, University Alliance (XHE0115) paras 6–7
66  University and College Union, ‘Academics’ survey shows little support for HE Bill amid Brexit brain drain fears,’ accessed 30 March 2017
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parties involved, the UK’s higher education institutions and their reputation as well as academics of every nationality, including the British and their respective international careers.68

33. Professor John Latham, Vice-Chancellor of Coventry University, said that “surety” was important:

While there is not surety, people are uncomfortable to commit themselves to either come or go. Until you have a system in place that people understand how it is going to operate, it is going to be very difficult for people to have all of the comfort.69

34. Several other witnesses were critical of the Government’s decision not to unilaterally protect the rights of EU nationals currently residing in the UK ahead of negotiations.70 Professor Michael Arthur, President and Provost of University College London, told us the Government needed “to take the initiative, take the lead, and indicate to European citizens who are working here in the UK that they will be allowed to stay and challenge the rest of Europe to follow suit”.71 Sally Hunt, General Secretary of UCU, said that “the higher education sector in this country […] is built on team in terms of UK nationals working alongside those from within the UK” and the Prime Minister’s speech merely expressed an aspiration, and had “emphatically not” provided enough reassurance for university staff.72

35. There is the very real possibility that even if the British Government heads into negotiations hoping to guarantee reciprocal residency and work rights, it may be that “nothing is agreed until everything is agreed”.73 This could lead to EU nationals employed in the UK higher education sector facing two years of uncertainty. We are concerned that during this time the UK’s international competitors would be able to benefit from this uncertainty and potential decline in the attractiveness of UK as a destination. At our evidence session in Oxford, our witnesses told us that the Republic of Ireland, Germany, Netherlands and Scandinavia, amongst others, would see this as an excellent opportunity to attract researchers.74 The Republic of Ireland included in its October 2016 budget an unspecified level of funding to attract “world-leading researchers in the context of Brexit”.75 Continued ambiguity will only serve to weaken the world-class reputation of our higher education sector.

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68 Q39
69 Q12
70 The Government has attempted to secure an early agreement on reciprocal rights with other EU member states since the referendum result. It was reported in late 2016 that Angela Merkel, the German Chancellor, rejected this on the basis that there could not be negotiations before the UK formally invoked article 50. Both the Lords EU Select Committee in its report Brexit: acquired rights and the Commons Exiting the EU Committee in its report The Government’s negotiating objectives: the rights of UK and EU citizens recommended the Government should unilaterally guarantee all EU nationals in the UK. In debates on the UK exiting the EU and on the European Union (Notification of Withdrawal) Bill 2017, there was support in both Houses from Members from across the parties.
71 Q106
72 Q971, 94
73 See, for example: Oral evidence taken before the House of Lords EU Justice Sub-Committee HL (2016–17) 82, Q23, Oral evidence taken before the Exiting the EU Committee on 22 February 2017, HC (2016–17) 1072, Q1079
74 Q13
75 Department of Education and Skills (The Republic of Ireland), ‘Minister Burton announces breakdown of €36.5m Third Level spend,’ accessed 30 March 2017
36. The rights of EU higher education staff to work and reside in the UK need to be guaranteed as soon as possible. The Government has rightly identified the agreement of the rights of EU nationals as its first priority in the negotiations. However, we caution that a delay in confirming these rights will only intensify the current uncertainty for universities, and likely lead to a significant ‘brain drain’ in talented staff. The Government must be prepared to unilaterally agree the rights of EU nationals before the end of 2017 if a reciprocal deal is not agreed before then.

A new immigration system

37. The main immigration route for non-EU international academics wishing to work in the UK is the Tier 2 (skilled worker) visa. The Tier 2 visa has an annual cap of 20,700. From April 2017, the minimum salary requirement for Tier 2 eligibility for experienced staff will be £30,000 per annum. If EU staff were considered the same as non-EU staff in the future, the Russell Group said in written evidence that only 26% of their EU staff would meet this salary requirement. We were also told by Professor Catherine Barnard of Cambridge University that the Tier 2 route was “extremely cumbersome” and “highly labour intensive for universities and colleges that have to administer it”. From our meetings across the UK, it is clear that administering EU and international staff through the current system in the future would be detrimental to the UK higher education sector. The cap, for example, would not be sufficient to deal with the increased numbers of international staff.

38. We heard throughout our inquiry that there was a need for the immigration system to be finessed to ensure a continued flow of higher education talent. Nicola Dandridge, representing Universities UK, told us that:

> If we can sort out our immigration system, so that it works for staff and students, then it makes a lot of the exit negotiations a lot easier. If we can have coherence in Government, in terms of their immigration policy, and can have proper engagement with the Home Office, then a lot of this looks a lot more optimistic. In a way I think Brexit—talking about opportunities that it might present—does present an unparalleled opportunity to revisit our immigration system.

39. In an ideal world, the preference for many of our witnesses would be for continued freedom of movement between UK and EU academics. For example, Professor Alistair Buchan, Head of Brexit Strategy at the University of Oxford, said that the current movement of staff allowed for strong collaboration, and asked “why would you draw talent from 50, 60 million people when you can draw talent from 600 million people?” It is clear this is unlikely to continue. In a written statement, the Secretary of State for Exiting the European Union stated that “we will manage our immigration system properly, which means that free movement to the UK from the European Union cannot continue as before.” The White Paper stated that the Government will carefully consider the options

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76 HC Deb, 24 March 2016, col 660WS
77 As above
78 The Russell Group (XHE0094) para 5.7
79 Q6
80 Q108
81 Q9
82 HC Deb, 17 January 2017, col 793WS
available “to gain control of the numbers of people coming to the UK from the EU”.83 The Government has also said it “would welcome agreement to continue to collaborate with our European partners on major science, research and technology initiatives”.84 As we make clear in Chapter 2, collaboration, driven by the ability for academics to work across Europe together, is a strong reason the UK punches above its weight in producing world-class research.

40. Reformsto the immigration system need to reflect the requirements of higher education. The new immigration system after the UK leaves the European Union will need to facilitate, rather than inhibit, the movement of people in and out of our universities. Otherwise, continued academic collaboration and the sector’s international competitiveness will be at risk.

41. We recommend a new visa for all highly-skilled academics, more liberal than the Tier 2 route. This should have a lower salary threshold and a separate, higher cap, as well as lower bureaucratic burdens and costs. This new approach would show the Government was serious in its aim to bring in the best from around the world and encourage collaboration.
\section{EU programmes}

42. The Government has stated that it wants to seek to continue collaborating with European partners on research and innovation, and that “there may be European programmes in which we might want to participate” with an appropriate contribution being made.\textsuperscript{85} We heard throughout our inquiry about the importance of some EU programmes, including Horizon 2020, Erasmus+ and European Structural and Investment Funds (ESIF), and in this Chapter we recommend what type of membership and participation would be appropriate for each.

\subsection*{EU research framework programmes}

43. In total, 18.3\% of the total funds the UK received from the EU between 2007 and 2013 were to support science, research and innovation, making it a significant element of the UK’s membership of the EU.\textsuperscript{86} From 2007 to 2013, the UK contributed €5.4 billion to the EU for research, development and innovation; over the same time, the UK received €8.8 billion.\textsuperscript{87} €6.9 billion of the €8.8 billion received was from Horizon 2020’s predecessor, the Framework 7 Programme. UK universities were the most successful recipients of Framework 7 with a 71\% share.\textsuperscript{88} The future of UK’s involvement in Horizon 2020 and its successor, Framework 9, is unclear. The Department for Education said “it was too early to speculate on the UK’s future relationship with Horizon 2020 and successor programmes”.\textsuperscript{89} The Treasury has confirmed it will underwrite funding for all EU funding awards while the UK remains a member of the EU, including projects that continue beyond the UK’s departure.\textsuperscript{90}

44. Universities repeatedly placed continued participation in Horizon 2020 and successor programmes as a priority for the sector. Imperial College London expressed concern about the loss of EU research funding, calling the impact of its potential loss on universities’ research productivity “substantial”, and that “a simple pound-for-pound replacement of lost income would still be a net loss for science and research” due to the decline in collaboration.\textsuperscript{91} Sheffield Hallam University called for the preservation of access to European research programmes due to their importance in funding research and driving international collaboration.\textsuperscript{92} Professor Michael Arthur commented:

If you look at who is receiving funding from Horizon 2020 and from the European Research Council, and if you look at the universities around Europe, five of the top seven are from the UK [ … ] This is a huge part of our activity and our economy [ … ] Altogether, when you look at the European Research Council and its funding into [University College

\textsuperscript{85} HM Government, The United Kingdom’s exit from and new partnership with the European Union, \textit{Cm 9417}, February 2017, para 8.51
\textsuperscript{86} The Royal Society, \textit{UK research and the European Union: the role of the EU in funding UK research} (December 2015) p 12
\textsuperscript{87} As above
\textsuperscript{88} The Royal Society, \textit{UK research and the European Union: the role of the EU in funding UK research} (December 2015) p 18
\textsuperscript{89} Department for Education (XHE0159) para 55
\textsuperscript{90} HM Treasury, ‘Chancellor Phillip Hammond guarantees EU funding beyond date UK leaves the EU,’ accessed 30 March 2017
\textsuperscript{91} Imperial College London (XHE0193) paras 17–18
\textsuperscript{92} Sheffield Hallam University (XHE0168) para 17
London], something like 70%-odd of those awards are held by EU or other international researchers. If we do not have access to that, that is a huge dent in our ability to research effectively.\footnote{Q107}

45. We were repeatedly told that the EU gave significant opportunities to collaborate. Horizon 2020 funds the Marie Skłodowska-Curie Actions (MCSA), which provide mobility research grants to promote international collaborations. Between 2007 and 2014, 3,454 UK-based researchers received a total of over €1 billion of funding through the MSCA.\footnote{Q9} Professor Latham said that the EU, in the way it works, allows people to come together and work in collaborations that would be much more difficult to do due to legislative and regulative constraints.\footnote{Q40} Professor Lyndal Roper, Regius Professor of History at the University of Oxford, although calling research collaboration “an abstract thing”, did try and quantify it:

> If you wanted to look at what the value to the UK of that was, 47% of that was collaborative programmes with typically six partners. If you multiply that and just say we got all of the intellectual property, we got all that research, and we did not just get the research that was done by the UK institutions, it is worth £29.5 billion, and then we have not paid for the training of those staff. We have not paid for the equipment that they have used. Then there is the added value of the research ecosystem that you talk about. If you wanted to try to put a value on it, it is many times what we receive in income.\footnote{Q46}

46. It is not simply the funds provided by EU, but also the networks and facilities made available to researchers. As the University of York pointed out, there will be a significant indirect effect from Brexit as it is unlikely UK scientists and researchers could have free access to European facilities that they are no longer paying for.\footnote{Q47} Dr Anne Corbett said that the 40 years of work into the EU had resulted in networks and facilities that could not be easily replaced.\footnote{Q46} Professor Stephanie Haywood, President of the Engineering Professors’ Council, told us at Oxford that:

> You also have to look at the practicalities. It is much easier to collaborate with your immediate neighbours. Even from Hull, I can get on a train and I can be in Paris very quickly. There are a lot of infrastructure facilities: the European Synchrotron Facility, CERN, the laser facilities at Harwell, the whole range of joint infrastructure that has been built up over very many years [ … ] we get to use it through EU funding. One thing we really need to consider is we may be paying for some of these facilities as a nation but not through the EU, because they are not supported by the EU, but then have a restricted access to them because much of our access has been through projects funded by the EU. There are a lot of things like this that need consideration.\footnote{Q49}
47. There are 16 non-Member states who participate in Horizon 2020, including Norway, Switzerland, Israel and Turkey. These vary from countries within the single market and subscribe to freedom of movement, to those who do not. Thomas Jorgensen, senior policy co-ordinator at the European University Association, which represents more than 850 higher education institutions in 47 countries, has said there “is no single associated model” and “it’s all up to negotiations”. Payment for associated country status in Horizon 2020 is usually calculated on the basis of GDP. Researchers can apply for funding in the same way as those in Member states.

48. There is some evidence that countries can still be net gainers outside of the EU. Alastair Sim, Chief Executive of Universities Scotland, said that:

> Israel, an associate country […] is very successful at levering funds from Horizon 2020 and doing collaborative research in the European Union but does not accept the full pillar of free movement of people. So there may be an example there that requires a bit more exploration as we move to define our future relationship with Horizon 2020 in a way that works for the UK.

49. However, Switzerland did lose access to Horizon 2020 after it limited freedom of movement. After negotiations with the EU, Switzerland decided against placing quotes on EU citizens entering the country, and as of 1 January 2017, Switzerland has again been granted full access.

50. Associated country status does come with one significant drawback: associated members have much less say in the strategic direction of the research framework programmes. Currently, the UK, as one of the strongest research nations in the EU, has a lot of influence to lose. Professor Tony Stevenson, Deputy Vice-Chancellor of Newcastle University said we would lose our influence on both research themes and where the money is spent.

51. At our meetings we also discussed the possibility of the UK not being part of the EU research funding frameworks and whether they could be replaced domestically. Professor Michael Arthur invited us “to stare over the abyss of the cost of reproducing” the whole system, including the mobility of people, networking, working across multiple boundaries, research excellence, early career fellowships and more. It is clear to us this would be a mammoth undertaking and is the least preferable option. Nonetheless, as the situation is conceivable, the Government needs to be doing much more to prepare over the next two years to mitigate against this possibility.

52. **The Government should prioritise continued access to Horizon 2020 and other EU research funding after the UK’s exit, and negotiate access to future EU funding**

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100 “Brexit: could UK join EU research system as ‘associated country’?”, Times Higher Education, July 2 2016
101 Q183
102 The Swiss immigration referendum held on 9 February 2014 aimed to limit immigration through quotas. It was accepted by a majority of the electorate, but the Swiss government did not fully implement the proposals following protracted discussions with the EU.
103 European Commission, Swiss participation in Horizon 2020 (January 2017)
104 “UK has mountain to climb to emulate Swiss-EU crisis resolution”, Times Higher Education, 24 December 2016
105 Q183
106 Q126
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programmes. The Government should also make a contingency plan for investing the same level of funding it received from the EU domestically in a scenario where access cannot be negotiated.

Erasmus+

53. Erasmus+ is the European funding programme for Education, Youth, Training and Sport. Mobility for study comprises around 60% of its €14.7 billion budget from 2014–2020. Each year, Erasmus+ funds around 16,000 UK students to undertake a study or work placement abroad, and funds around 2,200 higher education staff to train or work abroad. The UK also benefits from inward student and staff mobility from the other 32 countries participating in Erasmus+. Around 27,000 European students attend higher education institutions in the UK through the scheme. It has been estimated that around two thirds of all higher education mobility which last one academic term or more is conducted through Erasmus+.

54. Our evidence was close to unanimous in its support for the positives of Erasmus+, including the value it added to students for their skills and employment prospects, the improved international reputation for participating universities, and the strengthening of alumni networks and interchange between international partners. We received multiple individual submissions from former Erasmus+ students who praised the dramatic impact it had on their studies and careers. We heard from several stakeholders that continuing membership of Erasmus+ should be a priority for the Government, including the National Union of Students, Newcastle University, Southampton Solent University, and many more.

55. Whether or not the EU will want to allow continued participation may depend on decisions over freedom of movement. The experience of Switzerland is an example of a country changing its freedom of movement with the EU. Switzerland lost access to Erasmus+ following negotiations with the EU and replaced it with the Swiss-European Mobility Programme. The difference may be that the UK is a more popular destination for EU students and as such an agreement could benefit both sides. Furthermore, Turkey

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107 Department for Education (XHE0159) para 28
108 UK Erasmus+ National Agency (XHE0175) paras 1.6–1.7
109 All 28 member countries are in Erasmus+ and 5 non-Member states: Norway, Iceland, Liechtenstein Turkey and Macedonia. See European Commission, ‘Erasmus+: About’, accessed 30 March 2017
110 UK Erasmus+ National Agency (XHE0175) para 2.2
111 See, for example, British Council (XHE0199) paras 4.6–4.7, University of the West of England, Bristol (XHE0072), University of York (XHE0156) para 15, University of Warwick (XHE0131) paras 5.1–5.5
112 There is some evidence that this is more than anecdotal—a 2014 European Commission study concluded that mobility placements greatly enhanced students’ skills and their employability. See European Commission, The Erasmus Impact Survey: effects of mobility on the skills and employability of students and the internationalisation of higher education institutions (September 2014)
113 National Union of Students (XHE0092) para 34; Newcastle University (XHE0104) executive summary; Southampton Solent University (XHE0166) para 12
114 European Commission, ‘Information note on the participation of Switzerland in Erasmus+’, accessed 30 March 2017
115 The UK received around 27,000 EU students on inward placements; Switzerland received less than 5,000. See UK Erasmus+ National Agency (XHE0175) para 3.1, Universities UK (XHE0195), para 47
and the former Yugoslav Republic of Macedonia do not have full freedom of movement with the EU and are full members of Erasmus+. Nevertheless, the Switzerland example is illuminating and it is therefore important that an alternative option is prepared.

56. Another option instead of full membership is participation as a partner country, who can take part in some elements of Erasmus+ but not all. This was suggested by several universities, including Coventry University and the University of Liverpool. Others told us that partner countries have fewer places and less funding to offer, causing students and staff to face more mobility obstacles. Rosie Birchard, Director of External Relations for the UK Erasmus Student Network, criticised the idea of the UK being a partner country:

> It is constraining. I have spoken to the version of me—education officer—in ESN countries that are partner members, and they have told us that this limits people’s opportunities, so we need to pursue maintaining our programme membership at all costs.

57. We asked several witnesses whether Erasmus+ was replaceable if membership post-Brexit was unattainable. The response was mixed. Professor Alistair Fitt said that if we had to sacrifice something, Erasmus+ could be replaced with “Erasmus++” which could reach further around the world. Others expressed concern about how long it would take to rebuild a well-established programme, including setting up bilateral relationships with individual countries and ensuring widening participation. Estimating the cost of replacing Erasmus+ is not simple. The UK receives around €71 million a year for outward mobility.

58. A potential opportunity for a replacement programme would be to expand the pool of countries students and staff could travel to. The British Council said that the UK could forge links with countries outside the EU through new exchange programmes and scholarships.

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116 On the other hand, the former Yugoslav Republic of Macedonia has a shared visa liberation policy with the EU, and the EU and Turkey are currently negotiating for visa liberalisation. In addition, their inclusion in Erasmus+ may be tied to their status as EU candidate countries. See European Commission, ‘Visa policy’, accessed 30 March 2017; European Commission, ‘Cecilia Malmström signs the Readmission Agreement and launches the Visa Liberalisation Dialogue with Turkey’, accessed 30 March 2017.

117 Coventry University (XHE0064), para 1.8, University of Liverpool (XHE0171) para 11

118 See, for example, University College London (XHE0130) para 22, Erasmus Student Network UK (XHE0176) para 13

119 Q85

120 Q17

121 See, for example, Q166 (Professor Stevenson, Alistair Sim), Q85 (Dr Beall)

122 Based on an estimated €500 million for higher education mobility over 7 years. UK Erasmus+ National Agency (XHE0175) para 1.3

123 Universities UK (XHE0195) para 47

124 British Council (XHE0199) para 5.2
elements of the Erasmus+ programme”. Erasmus+ does already provide some global mobility, through the International Credit Mobility Scheme included from 2014, but Dr Jo Beall suggested we could do better.

59. Modern language students comprise almost half of all outbound Erasmus+ students. Dr Beall said it was “an incredibly important programme” that is a cornerstone of modern foreign language courses. Given the concerns over foreign language skills in the UK, it is worrying that placements are under threat due to Brexit. As Professor Stevenson correctly raised at our session in Newcastle, by the time the 2017/18 intake of modern foreign language students prepare to go on Erasmus+ placements the UK may no longer be a participating country.

60. Continued membership of Erasmus+ would be the best outcome for the UK and the Government should consider this as a priority programme in its negotiations with the EU. If this proves impossible, it is vital that the mobility of students and staff is not impeded. The Government should guarantee it will underwrite any Erasmus+ placements potentially under threat in 2019. A replacement mobility programme will need to be drawn up at an early stage so it is ready to begin for the 2019/20 academic year. This replacement could focus on a wider net of countries around the world as long as it safeguards support for disadvantaged groups.

61. Whatever the result of the negotiations, the Government should develop an ambitious outward mobility strategy with universities, which increases the range of mobility opportunities to more countries and includes a baseline participation target.

**Structural funding**

62. Two of the European Structural and Investment Funds (ESIF), the European regional development fund (ERDF) and the European social fund (ESF), distribute around £100 million to the higher education sector in the UK for projects that benefit local areas and innovation. Examples include the Graphene Engineering Innovation Centre at the University of Manchester and the Innovation Futures project at Sheffield Hallam University. It is likely structural funding will be a casualty of the UK’s withdrawal from the EU, as these funds are distributed only to EU members. Importantly, though, the UK received only £1.67 billion in ERDF and ESF income in 2014/15, only 3.2% of the total sum distributed across Europe, and only an estimated 29% of the UK’s contributions. This makes the UK a significant net contributor.

63. We heard the structural funds were important in helping universities to support local growth and jobs. Universities UK said that they did this by “turning ideas and research discoveries into new companies” and “by fostering entrepreneurship and employability”. University Alliance described EU structural funding as “critical to disadvantaged areas

125 Cardiff University (XHE0157) para 21
126 Q82
127 Q82
128 Only around 12% of British adults in a recent poll could speak a foreign language to a high standard, and 41% said they were embarrassed by their foreign language skills. See British Council, ‘Language skills ‘more vital than ever’, accessed 30 March 2017
129 Q133
130 University Alliance (XHE0115) para 18
131 University Alliance (XHE0115) para 20
132 Universities UK (XHE0195) para 61
in the UK” and that “universities often play a leading role in funnelling this money to partners”.\textsuperscript{133} When we asked one of our panels at Oxford what might be worth funding domestically, the Vice-Chancellor of Oxford Brookes University, Professor Alistair Fitt said:

European structural funding is very important for the UK but I believe the UK does not get as much out of it as they put in. Structural funding can come with quite a few strings attached, come with quite a few risks and be quite hard to manage. If we were able to replace the amount of structural funding with our funds, that is a real opportunity that we could not only retain all that is best in that system but make it an even better system.\textsuperscript{134}

Several of our submissions discussed the idea of spending this money through the national budget by creating a domestic programme.\textsuperscript{135} This would give opportunities to determine the level of funding available, where it should be distributed, and simplify the bureaucracy.

64. \textit{We recommend that as a replacement to investment from European Structural and Investment Funds the Government establishes a new regional growth fund which allocates funding on a similar needs-based system. Given the UK is currently a net contributor, this new fund could easily exceed the level of investment the UK has traditionally received from the EU. This would help to meet the Government’s aim to rebalance the economy.}

\textsuperscript{133} University Alliance (XHE0115) summary
\textsuperscript{134} QS
\textsuperscript{135} See, for example, Association of Colleges (XHE0135) para 20, Nottingham Trent University (XHE0151) para 19
3 Opportunities

65. Throughout our inquiry we asked for evidence about opportunities for the higher education sector from Brexit. While some of our evidence suggested there was none to be had, others indicated there were potential new directions for universities to focus on. In this chapter we suggest policy approaches for domestic and global issues so the Government can support the sector outside of its exit negotiations with the EU.

Universities and their local regions

66. The Government has recently published an Industrial Strategy Green Paper with a main objective of “increasing productivity and driving growth across the whole country”. A common opportunity for the higher education sector recommended in our evidence was to commit to further work with local regions and businesses by engaging with this new Industrial Strategy. Professor Haywood told us that it was important universities got more involved with UK industry and business. Reasons for the vote to leave in the EU referendum are diverse, but in-depth studies have identified one factor being individuals in some regions sensing they have been left behind compared to other parts of the country. Nicola Dandridge said that Brexit was an opportunity:

to look afresh at these issues: how can we maximise the potential contribution that universities can make in their region, not just economically but in terms of social mobility and social cohesion, supporting start-ups, supporting new entrepreneurs, and contributing in every way to the regional and local economies?

67. As mentioned in our introduction, higher education in the UK is undergoing reform, and it is proposed that the newly-created UK Research and Innovation (UKRI) will be the central body for all research funding. Decisions on the spending of research funding is governed in part by the 'Haldane Principle', a commonly-used term to refer to the convention that Ministers do not intervene to decide what research funds are spent on or where in the country. This convention is likely to be enshrined in law in the near future, as the Government has included it in the Higher Education and Research Bill under clause 104, which is currently before Parliament. The recent Industrial Strategy Green Paper noted that “46 per cent of Research Council and HEFCE funding is spent in Oxford, Cambridge and London” and suggested “new funding streams to support world-class clusters of research and innovation in all parts of the UK”.

68. Some of our evidence was critical of the distribution of domestic research funding, which compared to EU sources, tended to be concentrated to particular universities and

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136 See, for example, Kevin McDonald (XHE0035) para 8, Julia Kennedy (XHE0126) para 7, Lloyd Huitson (XHE0114) para 9
137 HM Government, Building our Industrial Strategy: Green Paper (January 2017) p 5
138 See, for example, Q30 (Professor Latham), Q171 (Dr Simpson) University of Greenwich (XHE0146) para 25, University of the Arts London (XHE0174) para 13, University Partnerships Programme (XHE0170), para 8
139 Q43
140 See, for example, Joseph Rowntree Foundation, Brexit vote explained: poverty, low skills and lack of opportunities (August 2016)
141 Higher Education and Research Bill, Clause 104
142 HM Government, Building our Industrial Strategy: Green Paper (January 2017) p 29
parts of the country. University Alliance, a mission group for 19 universities, said that Horizon 2020 is “less concentrated and more effective at supporting excellence wherever it exists”.\footnote{University Alliance (XHE0115) para 15} MillionPlus, a mission group for 17 modern universities in the UK, said that:

Modern universities, which often concentrate on applied and translational research with small and medium enterprises to support innovation and growth in their local areas, receive a higher proportion the research funding awarding by EU sources than they do UK sources [ … ] The investment in research from the UK government is typified by a hyper-concentration of funding into a small number of universities.\footnote{MillionPlus (XHE0076) paras 5, 23}

69. At our session in Newcastle, our witnesses welcomed the industrial strategy’s focus on regional growth, but expressed concern that there were still underlying tensions.\footnote{Qq176, 177} Dr Peter Simpson said that although the industrial strategy had identified place as a key pillar, it was still too loosely defined. He called for the Government to strengthen their commitment to place and “have a genuine UK strategy that thinks about opportunity in different regions rather than opportunity purely at a national level” and not just spend more money in Cambridge, Oxford and London.\footnote{Qq176, 177} Shirley Atkinson, Vice-Chancellor of the University of Sunderland, said that with the industrial strategy and Brexit, there was an “opportunity for some redistribution of some of the research funding”.\footnote{Q191} One of the tensions allocating research funding allocation is still investing in world-class research, whilst also ensuring a fair distribution across the country.

70. We agree that researchers are best placed to make detailed funding decisions at an operational level, but we also in principle agree that the Government can set strategic direction—such as by determining that research and development investment needs to benefit all regions—and on that basis, there is a need for a proper spelling out of the relationship between excellence and place. Otherwise, these two notions will logically conflict and prevent a broad funding principle from working as intended. In a post-Brexit future, if we want universities to maximise their support of their local regions, this conflict needs to be resolved.

71. \textit{There is tension between the current Government policies to both respect the current convention for Ministers not to decide what to spend research funds on, whilst also committing to ensuring R\&D benefits the whole country. The Government needs to clarify its position.} The uncertainty over the future availability of EU research funds and the creation of the UKRI means this is a golden opportunity to re-evaluate allocation of domestic funding so that the value of ‘place’ is articulated unambiguously. Otherwise, the Government will fail in its commendable aim to ensure R\&D benefits the whole country.

Global partnerships and collaboration

72. A frequent opportunity suggested was for the higher education sector to look beyond Europe for new partners and collaborations. As we discussed in Chapter 2, there is a potential opportunity to expand student and staff mobility to other countries around
the world. Almost 50% of all UK academic papers are written in collaboration with an international partner, and these typically have greater rates of citation than domestic-only papers.\(^{148}\) Unsurprisingly, almost half of these collaborations are with European partners.\(^{149}\) On the other hand, the USA, Australia, China and Canada all feature in the top 10 countries the UK collaborates with the most on academic papers.\(^{150}\) The Government has a target to increase educational exports from £18 billion in 2012 to £30 billion by 2020.\(^{151}\)

73. Higher education is the fifth largest service export sector for the UK.\(^{152}\) We heard that UK higher education was a strong global attraction and therefore should be at the centre of the new free trade agreements with countries around the world. Professor Andrew Wathey said there was “a real role for international trade missions and joining universities into those missions […] as we begin as the UK to explore new trading opportunities, then joining universities to that programme is a very important potential step.”\(^{153}\) Universities UK recommended that the Government should “establish a cross-Government approach to supporting international research” and promote research collaboration opportunities, through the Department for International Trade, as a “central pillar of the UK’s offer to overseas governments and businesses.”\(^{154}\) The Department for International Trade has recently appointed a higher education specialist.\(^{155}\)

74. Some of our witnesses disagreed these were opportunities, but rather in Professor John Latham’s words “a way of mitigating [Brexit],” or in Professor Stephanie Haywood’s words “new drivers”.\(^{156}\) Nevertheless they accepted that the situation demanded a new approach. Professor Latham concluded that it gave universities the opportunity to “go more global more quickly.”.\(^{157}\) Professor Haywood said that although “these opportunities largely exist anyway, many of them”, they could be extended—including existing frameworks such as the Newton Fund, which provides funding for international research collaboration that helps developing countries with economic development, social welfare, and sustainable growth.\(^{158}\)

75. Dr Beall discussed the importance of current funding, via the Newton Fund and the Global Challenges Funds,\(^{159}\) to support collaborations with official development assistance (ODA) eligible countries, but also suggested more could be done:

> It is vital that we engage with emerging markets. They are absolutely investing in their higher education and research and development sectors. The UK is already very engaged through partnership arrangements and we should support those […] At the same time, we need to think about

\(^{148}\) University of Glasgow (XHE0147) para 20  
\(^{149}\) As above  
\(^{150}\) Universities UK, International higher education in facts and figures (June 2016) p 20  
\(^{151}\) HM Treasury, Spending review and Autumn statement 2015, Cm 9162, November 2015, para 1.181  
\(^{152}\) Q86 (Dr Beall)  
\(^{153}\) Q167  
\(^{154}\) Universities UK (XHE0195) appendix  
\(^{155}\) “UK urged to learn from Australia on ‘higher education as trade’”, Times Higher Education, 21 March 2017  
\(^{156}\) Qq17, 43  
\(^{157}\) Q17  
\(^{158}\) Q43  
how we put in place continuing higher education and research partnerships with countries that are not ODA eligible. There is no obvious funding for that at the moment and they are our key research partners.\textsuperscript{160}

76. This last point has been made elsewhere. Professor Steven Cowley, President of Corpus Christi College, Oxford told the House of Lords Science and Technology Committee that, although informal connections with the USA and the UK are strong, compared to the level of collaboration with the EU the relative formal collaborative initiatives with the USA were few.\textsuperscript{161} If our higher education sector is to thrive after Brexit, it will need help in developing new frameworks with other countries in the world where we have strong existing relationships.

77. \textit{Universities should be represented in upcoming trade agreements with countries around the world to support their global ambitions. The Department for International Trade, in partnership with the Department for Education and the Department for Business, Energy and the Industrial Strategy, should develop a cross-Government strategy for international research and higher education.}

78. \textit{We recommend the Government pursues bold new collaborations with major research countries such as the USA, prioritising nations where relationships are already well-developed, as well as investing additional resources into existing efforts such as the Global Challenges Fund and the Newton Fund. It is crucial any new investment does not come at the expense of existing research funding, which even with the recent increase still lags behind the OECD average.}

\textsuperscript{160} Q79
\textsuperscript{161} Written evidence submitted to the House of Lords Science and Technology Committee, HL paper 85, by Professor Steven Cowley (EUF0019)
Conclusions and recommendations

The withdrawal process and the future relationship with the EU: possibility of ‘no deal’

1. The Department for Education, in co-operation with the Home Office and the Department for Business, Energy and Industrial Strategy, should publish a contingency plan for higher education to prepare for a ‘no deal’ situation. This plan should set out clear proposals to ensure potential risks are mitigated. (Paragraph 8)

People

2. The Government should guarantee home rate fees and access to tuition fee loans for EU undergraduate students starting in England in the academic year 2018/19 well in advance of the early deadline for course applications. The status of postgraduate students should also be clarified. This will create some immediate stability during the negotiations. (Paragraph 19)

3. It is important that the higher education sector is given enough notice of any changes to the migration status of EU students, their fee rate and access to loans. The Government needs to ensure sufficient time for universities and others in the higher education sector to adjust and plan ahead. It must also ensure that changes to fees or loans do not occur midway through a student’s course. (Paragraph 20)

4. We believe the best model for EU students is to retain a reciprocal open approach with light touch controls, such as visa-free access, which would enable preservation of a system closely resembling freedom of movement. We recommend the Government takes this open approach with all international students if it is serious in its desire for the UK to remain a global leader in higher education. (Paragraph 21)

5. International students should be removed from the net migration target. The Government’s refusal to do so is putting at risk the higher education sector’s share of the international student market. Removing international students from the target would be a simple way to offset some of the risks from leaving the European Union. For domestic policy purposes, these students could be recorded under a separate classification and not be counted against the overall limit. The Office for Students should monitor and report on the overall trends of international student recruitment. The Government should continue to improve its data recording, prioritising exit check data. (Paragraph 28)

6. The rights of EU higher education staff to work and reside in the UK need to be guaranteed as soon as possible. The Government has rightly identified the agreement of the rights of EU nationals as its first priority in the negotiations. However, we caution that a delay in confirming these rights will only intensify the current uncertainty for universities, and likely lead to a significant ‘brain drain’ in talented staff. The Government must be prepared to unilaterally agree the rights of EU nationals before the end of 2017 if a reciprocal deal is not agreed before then. (Paragraph 36)
7. Reforms to the immigration system need to reflect the requirements of higher education. The new immigration system after the UK leaves the European Union will need to facilitate, rather than inhibit, the movement of people in and out of our universities. Otherwise, continued academic collaboration and the sector’s international competitiveness will be at risk. (Paragraph 40)

8. We recommend a new visa for all highly-skilled academics, more liberal than the Tier 2 route. This should have a lower salary threshold and a separate, higher cap, as well as lower bureaucratic burdens and costs. This new approach would show the Government was serious in its aim to bring in the best from around the world and encourage collaboration. (Paragraph 41)

EU programmes

9. The Government should prioritise continued access to Horizon 2020 and other EU research funding after the UK’s exit, and negotiate access to future EU funding programmes. The Government should also make a contingency plan for investing the same level of funding it received from the EU domestically in a scenario where access cannot be negotiated. (Paragraph 52)

10. Continued membership of Erasmus+ would be the best outcome for the UK and the Government should consider this as a priority programme in its negotiations with the EU. If this proves impossible, it is vital that the mobility of students and staff is not impeded. The Government should guarantee it will underwrite any Erasmus+ placements potentially under threat in 2019. A replacement mobility programme will need to be drawn up at an early stage so it is ready to begin for the 2019/20 academic year. This replacement could focus on a wider net of countries around the world as long as it safeguards support for disadvantaged groups. (Paragraph 60)

11. Whatever the result of the negotiations, the Government should develop an ambitious outward mobility strategy with universities, which increases the range of mobility opportunities to more countries and includes a baseline participation target. (Paragraph 61)

12. We recommend that as a replacement to investment from European Structural and Investment Funds the Government establishes a new regional growth fund which allocates funding on a similar needs-based system. Given the UK is currently a net contributor, this new fund could easily exceed the level of investment the UK has traditionally received from the EU. This would help to meet the Government’s aim to rebalance the economy. (Paragraph 64)

Opportunities

13. There is tension between the current Government policies to both respect the current convention for Ministers not to decide what to spend research funds on, whilst also committing to ensuring R&D benefits the whole country. The Government needs to clarify its position. The uncertainty over the future availability of EU research funds and the creation of the UKRI means this is a golden opportunity to re-evaluate
allocation of domestic funding so that the value of ‘place’ is articulated unambiguously. Otherwise, the Government will fail in its commendable aim to ensure R&D benefits the whole country. (Paragraph 71)

14. Universities should be represented in upcoming trade agreements with countries around the world to support their global ambitions. The Department for International Trade, in partnership with the Department for Education and the Department for Business, Energy and the Industrial Strategy, should develop a cross-Government strategy for international research and higher education. (Paragraph 77)

15. We recommend the Government pursues bold new collaborations with major research countries such as the USA, prioritising nations where relationships are already well-developed, as well as investing additional resources into existing efforts such as the Global Challenges Fund and the Newton Fund. It is crucial any new investment does not come at the expense of existing research funding, which even with the recent increase still lags behind the OECD average. (Paragraph 78)
Annex 1: Engagement event at London South Bank University

On 7 December 2016 we held an informal engagement event with university staff and students at London South Bank University. The event was advertised through our website, social media and targeted at higher education groups. Our hosts London South Bank University also publicised the event internally. Attendees discussed three broad questions within the scope of our inquiry with Committee Members and staff.

The following is a summary of comments made during the event, split into the 3 broad questions. The attendees were divided into 5 groups. These comments amalgamate the general views from the event, except for when one group had a different view to others.

Q1 What do you think are the biggest issues and priorities for higher education following the decision to exit the European Union?

- General reputational risk to UK universities due to a range of issues. Additional risk that we could end up with two tiers of universities.

- Threat to diversity of student body. UK student experience may be diminished if we are not part of the EU. The value of an international education, surrounded by foreign staff and students, should not be underestimated.

- The need for a plan from Government. One table said that there was ignorance about the impact of exiting the European Union on higher education. Universities should be involved in the planning and decision-making.

- Importance of looking after current EU staff and students. EU citizens are feeling uncertain and negative towards the UK. Staff from the EU have great economic value to local communities.

- Removal of Erasmus+ could lead to fewer opportunities for underprivileged students and staff to get global perspective (social mobility).

- Possible difficulties in attracting staff. May lead to declining standards in teaching or negatively affect ability to hire the best staff. May negatively harm global reputation. Collaboration under threat as this is easier in EU.

- Less attractive to foreign students. Other countries are opening borders for international students at the same time that we are shutting them down—Canada, Australia, and Scandinavia. Worries about commercial impact of restricting ability to earn income from foreign students. Furthermore, post-study options are very limited. Students need to be sponsored by an employee within 4 months.

- Worried about how EU students will be managed from an immigration perspective, adding EU students will be difficult to manage. There is a great deal of time and energy being taken out of universities already because of immigration issues; this may intensify. Visa applications and the bureaucracy
is likely to increase and create further challenges for universities. If EU students become international students, poorer may not be able to afford to study in the UK. Also, other European countries fees are much cheaper e.g. Germany.

- Research funding is under threat. EU research funding has helped build the global reputation of universities in the UK. There is now a danger that EU partnerships and projects will no longer occur in the future.

**Q2 What should the Government be doing in the short term, during the negotiations and beyond, to protect the higher education sector?**

- Protect the working rights of EU nationals and their dependents in immediate term. Limit uncertainty. Clarify their status immediately and for the status for students beyond 2017/18. This is essential. Researchers need to plan sometimes 5 years in advance. There is an additional worry that UK student numbers are falling, and a likely fall in EU numbers and international numbers creates a worrying picture.

- Give advance warning of upcoming changes. International offices in universities, for example, will need significantly more staffing if EU students become international. Needs to be a better understanding and recognition that higher education planning timescales are from 3 to 5 years in the future.

- More positive messaging from Government. Needs to be greater recognition of how large and important the HE sector is and make it a priority. Additionally, the Government needs to engage further with the sector, across all institutions and not just with the most prestigious. There is a danger that some universities have the ear of Government whilst others do not.

- Government needs to provide clarity over how it will ensure the UK higher education sector remains competitive—continued uncertainty is damaging.

- The Teaching Excellence Framework is creating more uncertainty. Rating of universities will impact on fees and international student numbers.

- Remove international students from the net migration figures. HE should be seen as an export. Clampdown on bogus students has already worked as only 1% overstaying their visas. One table said it was unbelievable that this debate was still ongoing.

- Clarify future of Erasmus+. Find a way to stay in Erasmus+ or replace with a domestic equivalent. Important for soft power.

- EU research funding, if not accessible after Brexit, needs to be matched domestically. The spread of funding would also need to be revised given that EU funds typically are granted to a more diverse range of universities.
Q3  What opportunities could Brexit provide for universities, and how can universities ensure they remain competitive globally after Brexit?

- One table said there were very few opportunities that would arise from Britain leaving the EU. They also added that universities already have international partnerships and there are some reports of people being put off from British universities. Another table said that it was difficult to know until the situation was clearer and the sector knew what Brexit would look like. They concluded that there is a danger that universities have a history of making opportunities in difficult circumstances.

- Focus on recruiting best students and staff globally by broadening immigration policy—greater number of foreign students. Opportunity to fix immigration and make it clear what can and cannot be controlled.

- Potential opportunity for extra fee income if EU students move to the international rate. Also, weaker pound means cheaper fees for international students in the short term.

- Many EU students go to college in UK before applying to university. This would require two visas and to leave the country if they were international students. Barrier should be removed.

- Greater link between education and trade. One opportunity could be looking to other countries away from the EU, such as different markets and partnerships with other institutions. Trade delegations should include higher education representatives to help develop more international agreements. Opportunity for our universities to set up campuses in Europe.
Annex 2: Students’ inquiries into the impact of exiting the European Union on higher education

In co-operation with the Universities Programme of the Houses of Parliament, we asked university students enrolled on Parliamentary Studies’ modules to run parallel inquiries and report their findings back to us. We advertised this opportunity to Parliamentary Studies tutors at a wide range of universities.

We received two submissions from students from the University of Leeds and the University of Reading.

University of Leeds: Students’ perspectives on the impact of exiting the European Union for higher education

Rebecca Earl (International History & Politics student at the University of Leeds) and Roxanne Tajbakhsh (Medical student at the University of Leeds).

We are submitting this evidence from the perspective of university students after supplementing our pre-considered notions with research compiled from a questionnaire and a focus group of University students. The sample covered both EU and UK students, studying at universities across the country. This research reflects the primary, immediate concerns of current university students, which we believe to have not been covered by previous report submissions. After analysing the results, we have concluded on three recommendations:

1. Clear Communication

A sense of cynical uncertainty for the future of the UK higher education system was prominent amongst our respondents. The majority of our participants held the view that Brexit would directly and negatively impact upon educational opportunities in the following manner: research opportunities (76%); work prospects (75%); post-graduate opportunities (67%). Whilst negative views associated with Brexit may be unsurprising to find within the student community, it was clear that this lack of certainty is breeding an undercurrent of fear, with our focus group expressing worries of the impact on UK higher education institution’s reputations, as the following quote shows:
“I think that there is cause for concern with moving out of EU - we may lose interest from European students. This will reduce diversity which is important in building a strong learning community and also money. This brings in further danger of higher fees, heading towards similar expense that we see in America”.

Moreover, our research revealed an alarming trend with students feeling disconnected and therefore isolated from the Brexit result. To directly address both these issues simultaneously we suggest the engagement of students through opening communication channels via their educational institutions whilst negotiations take place. It was raised during the focus group that, unfortunately, due to the manner in which the Leave Campaign was carried out, many are feeling disengaged with official communications from government. Thus, it was suggested that if documents pertaining to the foreseeable positive and negatives of Brexit were released via universities to their own students, it would promote an engaged, critical thinking approach towards the matter, rather than a preconceived one of disdain. This notion was further developed with the suggestion of non-traditional mediums of communication, for example, an educational video covering the key aims of Brexit negotiations and their potential impact on UK higher education, as opposed to a simple published manifesto. In ensuring better channels of communications directly with students through alternative mediums, we believe, will directly ease anxieties and dispel any culture of trepidation currently formulating amongst the student body.

2. Safeguarding of the immigration status of current and future EU students

Half of our EU student respondents expressed that the referendum result had negatively impacted upon their considerations of studying in the UK, with the other half expressing that it had no effect; no respondent expressed a positive effect. Both the comments from our questionnaire and focus group explicitly stated that a primary concern for students would be the introduction of lengthy, costly visas - making an ever growing UK market less accessible to the EU population. Concerns were expressed two-fold:

- Cost to study in the UK will climb even higher, and considering how our European competitors of Germany and the Netherlands have either drastically cut, or wholly eliminated their tuition fees, the UK will lose many prospective EU students to such institutions.

- Loss of EU students may lead to university fees being raised for UK students to cover the extra costs of EU students as a means to prevent them from deterring from applying to UK institutions; in turn deterring our own nationals.

This is why we propose that the student demographic be exempt from any immigration legislation changes, making the protection of the immigration status of current EU students paramount.

3. The use of new post-Brexit markets for higher education initiatives

Concern for the Erasmus+ programme appeared as a recurring theme throughout our research. Students stressed the importance the Erasmus+ programme in ensuring a well-rounded and positive university experience. Following the decision to exit the European Union, students have highlighted anxieties for the resulting demographic of the UK
student body as the Erasmus+ programme not only encouraged UK students to travel abroad to the EU, but promoted a diverse and interesting student population with the placement of continental students in the UK system. Whilst we view that the protection of the Erasmus+ programme during exit negotiations would be a positive step to safeguard the excellent opportunities open to UK students, we believe that the furtherance of programme directly linked with the Brexit result would greatly benefit the UK higher education system.

Our research showed that certain markets such as the USA, or other commonwealth countries, such as Canada, Australia, and New Zealand, hold a great deal of interest for current UK students. We believe that the immediate instigation of similar programmes to that of Erasmus+ with other countries beyond the EU market could invert one of the greatest European loses, to be one of the largest global gains for UK higher education institutes.

University of Reading: Evidence for the House of Commons Education Select Committee on the impact of exiting the European Union on higher education

Submission Team

Evidence compiled by students of the University of Reading’s Politics & International Relations Department through the PO3PAR and PIM84 Parliamentary Studies modules, supported by Dr Mark Shanahan, module convener and Director of Teaching & Learning for Politics & IR.

Authors: Sarah Awachi, Dan Bull, Holly Gibbs, Max Lange, Harry Maybrick, Taylor Matthews, Katie Price, Hannah Ritchie, Julianna Suess, Ben Tiplady, supported by Dr Mark Shanahan.

Summary of evidence

Between Jan 10 and Jan 17, 2017 (building on a survey launched on December 8, 2016), a group of final year undergraduate and taught postgraduate students from the Department of Politics & International Relations at the University of Reading surveyed fellow students; directly and indirectly affected academic staff and key voices within the university in response to the questions posed by the Select Committee. The following short report reflects the views of those questioned/surveyed. It is the work of a particular student group within the PO3PAR and PIM84 parliamentary Studies modules, and while endorsed by the Parliamentary Studies Module Convener within the Department of Politics and International Relations, is not a formal document of the university.

Student survey—highlights

1) 68% of students who responded to our survey think Brexit will have a mostly negative or slightly negative effect on their studies.

2) 15% of students think that Brexit will have a slightly positive or mostly positive effect on their studies.
3) 84% of students want to see a continuation of the Erasmus scheme.

4) On Changes to freedom of movement: students think this will result in:
   a) Difficulty in studying abroad
   b) Potential difficulty in gaining/pursuing careers within the EU area
   c) Difficulty in student travel in EU during summer breaks.
   d) Negative impact on students’ ability to take academic trips to Europe as part of their studies.

5) Top priorities post-Brexit for students were:
   a) Allowing freedom to study across national borders (58.2%)
   b) Not increasing tuition fees (54.3%)
   c) Maintenance of quality of education in the UK (52.2%)

6) Many students were interested in being able to attract lecturers from outside the EU. Science & agriculture students very concerned about lack of EU grants. Smaller universities in particular (non–Russell Group) very worried about remaining competitive. Support for ‘fast track’ visa system for academic staff. The ability for inter-university collaboration is also a concern, post-Brexit.

7) Measures to mitigate risks of Brexit: Keep Erasmus; stay in single market; freedom of movement and right to work protection; protection of current international students.

8) Opportunities available to students because of Brexit:
   a) Agricultural policies changing to benefit of UK
   b) Improved US and China links
   c) Weaker environmental regulation
   d) Strengthened links with Commonwealth.

Additional stakeholder comments

Mr John Brady, HR Director, University of Reading

There is great uncertainty among academic staff at the University of Reading concerning their long-term career options and opportunities, seeing as a significant number of current staff are EU nationals. We recognize destabilised position of existing EU staff, particularly those who have been in residence in the UK for less than five years, recognizing the inclination of some to reconsider their position with the University. As Director of Human Resources, I anticipate a decline in EU applicants and therefore am concerned regarding the impact this may have on the quality of future applicants.

In line with this expectation, following the referendum, the University has already witnessed instances of declined appointments by prospective staff. My department is
Exiting the EU: challenges and opportunities for higher education

part of a university-wide working group, which is actively monitoring the immediate and long-term impact of Brexit and offering practical recommendations to faculty. These recommendations, however, are limited due to the lack of Government reassurances. This concerns prospective difficulties in faculty entering and remaining in the UK, most notably limitations on the freedom of movement, restrictions on dependants, and possible restrictive visa regimes and the resultant costs.

It is worth noting too for the record that following the referendum result, a small number of faculty and other staff have reported incidents of hostility they have faced beyond our campus grounds.

Current EU Academics Employed in the University and EU Student Groups

Academics (sourced through 1:1 interviews conducted on Jan 16 &17)

With regards to the effects Brexit may have on higher education in the UK, the main source of concern for academics at the University of Reading lies in the area of research funding. By leaving the European Union the previous ability for academics across the United Kingdom and at Reading to compete for research grants offered by the European Research Council (ERC) will become greatly diminished. From the period 2007–2013 the UK was ranked second in the EU for the amount of funding researchers in British higher education received—amounting to €6.9 billion out of a total €55.4 billion.162 If, upon leaving the EU, academics in the UK—British nationals, European nationals, and others included—face more difficulty in obtaining grants and funding for their research, they will most likely seek to alternatives in other EU countries. This could possibly lead to a haemorrhage of academics from the UK, particularly but not limited to EU academics, who decide instead to work elsewhere within the Union, where the chances and opportunities to compete for such financial assistance would be greater. It is feared that if “a citizen of the world is a citizen of nowhere” then the global links and lives many academics lead in pursuing their research will instil a mentality that academics from the EU and Britain do not belong, or are not part of the UK or its wider community. This is arguably the biggest disincentive for EU and non-EU academics and researchers to remain working and contribute to rich nature of higher education in the UK.

With more barriers for world-class researchers to work and receive academics funding in the UK, higher education in British Institutions will take a substantial hit. The quality and rigour of the research output of universities and other higher education institutions would most likely drop, deterring not only academics from working at such institutions, but also the number of students from within the EU who have the opportunity to study at a British university via the Erasmus + scheme.

From 2007 to 2013 the United Kingdom had the highest number of participating countries submitted as partners or coordinators to the Erasmus + scheme, meaning that the UK had the most number of links with other EU universities as part of a placement programme—totalling 1,200 institutions.163


EU Students

Amongst the EU students currently enrolled at the University of Reading, the main concern arising from Brexit’s effects on higher education in the UK concern the loss of the Erasmus + scheme and the wider chances to study and work in Britain. Many fear that the scheme will be either lost or significantly reduced, so as to remove many of the benefits of studying abroad without the need for a visa. By having to pay additional fees on top of the tuition fees, which themselves may increase in line with those of international students, many EU students currently enrolled at the University of Reading express their concerns that ease of access to some of the best universities in the world was a significant factor in their choice to study abroad in the UK.

Reading University Student Union

Sahadey Joshi, Diversity Officer

In this post-Brexit world we have seen hate crimes on the rise and people feel justified in spreading hate against migrants and international people. This is having a negative effect on UK campuses as students from the EU and the wider world are scared as to what is going to happen. When Britain does leave the EU, I am fearful that universities will lose their international students and therefore these multicultural, amazing learning environments will be lost. I also think that companies that are invested in the UK Education system by offering scholarships and bursaries may start to look at other countries instead, because British graduates may not be as desirable as they once were.

Ben Cooper, President

The referendum result has caused some uncertainty in HE. Universities and students alike wait for government, and EU developments that will further define what the system looks like for international students, fees and research. However, one thing is certain, the United Kingdom looks a vastly less friendly place for international student to study at a first glance. However, universities are doing everything they can to show the world that the UK is still an open, international and outward looking society.

Having said that we are now in uncertain times, Brexit may provide HE institutions with an opportunity to expand into new international waters to find new and exciting research and teaching on a European and global scale. It is important to note that Brexit does not mean the UK should or has become isolationist. Now more than ever the HE institutions in the UK should engage with the rest of the world.

Academic course representatives (across Humanities and Social Sciences)

A consultation with Student Representatives, at both undergraduate and postgraduate level delivered the following conclusion. It is clear that there is concern following the Brexit decision regarding continuing opportunities for students to study abroad as part of their course. Some of the main issues that have arisen from this are:

- future ease of travel
- ongoing university connections/formal relationships
- overall costs (such as fees) of future study abroad within the EU
Student representatives also raised concerns about the ability of the university to attract EU students after Brexit, citing similar reasons such as cost (fees) and ease of travel. On a practical level, several representatives raised concerns regarding the ability of the university to continue progressing as a research-based institution, with the main concerns surrounding the appeal the university will have to European lecturers and the knock on affect this might have on the quality of research and the appeal of the university to draw the best students.

Finally, a small number of students were concerned with the rhetoric that has surrounded Brexit and how this might impact current and future overseas students who attend university. Whilst the university is strongly against racism and xenophobia, fears have been raised about how the fallout might affect campus society and overseas students as a result.

Reading University Politics & International Relations Society

The Reading University Politics and International Relations Society is an academic society through which students are able to interact in debates on current affairs. The society President commented:

“The United Kingdom’s decision to leave the European Union will, over the course of time, affect a wide range of government policy areas, which will likely include EU research grants and ERASMUS students in the Higher Education sector. As Sir David Bell (University Vice-Chancellor) has previously stated however: ‘for the moment, it is business as usual’ for Reading University and practically all other institutions, as we enter the negotiation stage of our withdrawal from the EU. It would be foolish to predict or assume therefore how HE may be affected, when not only is the British Government’s negotiating on HE not known, but there is no clear understanding of what deal the EU is willing to give the UK over bargaining chips such as research grants, or the ability of UK students to study in EU countries for certain lengths of time”.

Conclusion

While opportunities undoubtedly exist for the UK HE sector in a post-Brexit world, the conclusion from the submission group at the University of Reading is:

- Both students and academic staff believe they will be negatively affected in their studies by Brexit
- There is a real risk of substantial reputational damage to institutions and the sector through:
  - Decreased diversity of campus culture
  - Loss of access to pan-European research projects
  - Inability to recruit and retain the best EU-wide academic staff
- Students fear an end or dilution of the Erasmus+ scheme
Formal Minutes

Wednesday 19 April 2017

Members present:

Neil Carmichael, in the Chair

Suella Fernandes       Ian Mearns

Lilian Greenwood

Draft Report (*Exiting the EU: challenges and opportunities for higher education*) proposed by the Chair, brought up and read.

*Ordered* that the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 78 read and agreed to.

Summary and annexes agreed to.

*Resolved*, That the Report be the Ninth Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available (Standing Order No. 134).

[Adjourned till 9 am on Wednesday 26 April]
Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the inquiry publications page of the Committee’s website.

Wednesday 11 January 2017

**Professor Catherine Barnard**, Professor of EU Law, University of Cambridge, **Professor Alastair Buchan**, Head of Brexit Strategy, University of Oxford, **Professor Alistair Fitt**, Vice-Chancellor, Oxford Brookes University, and **Professor John Latham**, Vice-Chancellor, Coventry University and Chair, University Alliance

**Dr Anne Corbett**, Associate, LSE Enterprise, **Professor Stephanie Haywood**, President, Engineering Professors’ Council, **Dr Georg Krawietz**, London Director, German Academic Exchange Service (DAAD), **Professor Lyndal Roper**, Regius Professor of History, University of Oxford, and **Professor Margret Wintermantel**, President, German Academic Exchange Service (DAAD)

Wednesday 25 January 2017

**Dr Jo Beall**, Director, Education and Society, British Council, **Rosie Birchard**, Director of External Relations, Erasmus Student Network UK, **Sally Hunt**, General Secretary, University and College Union, and **Sorana Vieru**, Vice-President (Higher Education), National Union of Students

**Professor Michael Arthur**, President and Provost, University College London, **Dr Gavan Conlon**, Partner and Head of Education and Labour Markets, London Economics, and **Nicola Dandridge**, Chief Executive, Universities UK

Tuesday 7 March 2017

**Shirley Atkinson**, Vice-Chancellor, University of Sunderland, **Professor Tony Stevenson**, Deputy Vice-Chancellor, Newcastle University, **Professor Andrew Wathey CBE**, Vice-Chancellor, Northumbria University, **Alastair Sim**, Director, Universities Scotland, and **Dr Peter Simpson**, Director, N8 Research Partnership
Published written evidence

The following written evidence was received and can be viewed on the inquiry publications page of the Committee’s website.

XHE numbers are generated by the evidence processing system and so may not be complete.

1. Academy of Social Sciences (XHE0192)
2. Alice Holden (XHE0090)
3. Alison Whitehead (XHE0085)
4. Anonymous 1 (XHE0024)
5. Anonymous 2 (XHE0026)
6. Anonymous 3 (XHE0093)
7. Ashley Harris (XHE0025)
8. Association of Colleges (XHE0135)
9. Aston University (XHE0120)
10. Birkbeck, University of London (XHE0086)
11. Bournemouth University (XHE0117)
12. Brenda White (XHE0030)
13. British and Irish Modern Music Institute (XHE0079)
14. British Council (XHE0199)
15. British Film Institute (XHE0194)
16. British Medical Association (XHE0101)
17. Campaign for Science and Engineering (XHE0187)
18. Cardiff University (XHE0157)
20. Charlotte Rosher (XHE0009)
21. City of London Corporation (XHE0202)
22. ColegauCymru (CollegesWales) (XHE0098)
23. Council for Higher Education in Art & Design (XHE0182)
24. Council of UK Classics Departments (XHE0082)
25. Coventry University (XHE0064)
26. Cranfield University (XHE0203)
27. Creative Industries Federation (XHE0188)
28. Daniel Phillips (XHE0018)
29. Department for Education (XHE0159)
30. Dr Amelia Hadfield (XHE0109)
31. Dr Anne Corbett and Dr Claire Gordon (XHE0197)
32. Dr Christophe Gagne (XHE0155)
33. Dr Daniel Ungar (XHE0059)
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34 Dr Federico Bonaddio (XHE0106)
35 Dr Felix Eigenbrod (XHE0068)
36 Dr Fiona O’Carroll (XHE0164)
37 Dr Freddie Gaffney (XHE0011)
38 Dr Helmut Schmitz (XHE0053)
39 Dr Hilary Perraton (XHE0206)
40 Dr Johanna Malt (XHE0065)
41 Dr John McKeane (XHE0055)
42 Dr Lindsay Bywood (XHE0036)
43 Dr Liz Gloyn (XHE0075)
44 Dr Martin Dickson (XHE0027)
45 Dr Martina Zimmermann and others (XHE0153)
46 Dr Miranda Stanyon (XHE0128)
47 Dr Nick Parsons and Professor Rachael Langford (XHE0105)
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