

Russell Group submission to House of Lords EU Select Committee inquiry

Brexit: deal or no deal?

1. Summary

- Continued collaboration with the EU after Brexit on major science, research, and technology initiatives is one of the Government's 12 negotiation objectives. After Brexit, universities will play an increasingly important role in boosting jobs and growth and driving productivity through delivering cutting-edge research and innovation. A positive outcome for science, research and innovation in the negotiations will be mutually beneficial to the UK and the EU science base as a whole.
- The Russell Group strongly supports the principle, outlined in the PM's speech in Florence on 22 September, of seeking a transition period after the date of EU exit. Such a transition period will provide essential medium-term clarity and minimise disruption for universities and students. The duration of any transition period should be confirmed at the earliest opportunity, and we urge the Government to implement the following key components in a transition period to ensure continuity for universities:
 - **Tuition fees and student support for EU nationals to remain unchanged** so that they retain their rights to remain in the UK for study and post-study work, eligibility for 'home' fee rate and access to loans and grants for the duration of their course.
 - **The UK to negotiate full participation in Horizon 2020, Euratom and Erasmus+ to the end of the current programmes.** This would be a pragmatic approach to avoid a cliff-edge for research and academic mobility.
- Failure to reach a formal agreement on the terms of the UK's withdrawal from the EU, a "no deal" scenario, would have significant detrimental implications for the UK. For Russell Group universities, it would affect their ability to deliver world-leading research and education. For example:
 - No agreement on the **rights of EU citizens to live, study and work in the UK** could lead to an abrupt loss of talented researchers and technicians with specialist skills at our universities who could not be replaced easily by UK nationals (particularly in the short term).
 - If the UK and EU do not secure an **agreement on science and research collaboration**, UK institutions cease to be eligible for Horizon 2020 on the day of exit. This means funding for existing projects will be withdrawn and researchers at our universities will immediately lose the ability to bid for this funding in the future, having considerable impact on our universities' international competitiveness.
- To maximise their impact, universities must continue being able to attract and retain talented EU staff and students. A strong relationship between the UK and the EU on higher education and research must be maintained.
- We are concerned that the necessary contingencies and mitigating actions for the immediate challenges resulting from "no deal" could not be implemented rapidly enough to ensure the UK's continued competitiveness.

2. Context

- 2.1 The purpose of The Russell Group is to provide strategic direction, policy development and communications for 24 major research-intensive universities in the UK; we aim to ensure that policy development in a wide range of issues relating to higher education is underpinned by a robust evidence base and a commitment to civic responsibility, improving life chances, raising aspirations and contributing to economic prosperity and innovation. We welcome the opportunity to provide evidence to this inquiry.
- 2.2 Russell Group universities are major contributors to the UK economy generating positive effects right across the country. As anchors for growth in their regions and nationally, Russell Group universities generate tens of billions a year in economic benefit for the UK economy. There is an opportunity now for UK universities and science to be at the heart of the Government's new Industrial Strategy as key drivers of economic growth, productivity and innovation.

3. Key priorities for science and research

- 3.1 Our world-class universities drive growth and productivity through research, innovation and knowledge exchange and educate the next generation of skilled graduates to meet the demands of the labour market. They already play an essential role in underpinning the UK's international competitiveness and this is likely to become even more important after the UK leaves the EU. We do not do this in isolation, but collaborate widely with business, public sector bodies, charities, research institutes and other universities globally – and in particular with our partners in the EU. Reaching a positive outcome for science, research and innovation in the Brexit negotiations will therefore be mutually beneficial to the UK and the EU science base as a whole.
- 3.2 Key priorities for the Brexit negotiations with the EU should be:
 - Guarantee the continued rights of current EU nationals (and their dependants) at UK universities through a simple system that minimises the burden and cost for individuals
 - Ensure the UK's full access to Horizon 2020 from the date of EU exit to the end of the programme.
 - A far-reaching agreement on science and innovation which will enable the UK's full access to and influence over future EU research and innovation programmes (and infrastructures) with a focus on excellence and support for international collaborations
 - Secure a good deal for future UK participation in the Erasmus+ programme
 - Reach a rapid and satisfactory arrangement for the land border between Northern Ireland and the Republic of Ireland to sustain and enhance current north-south collaboration.

4. A transition period for stability

- 4.1 The Russell Group strongly supports the principle, outlined in the Prime Minister's speech in Florence on 22 September, of seeking a transition period after the date of EU exit. Such a transition period is essential to deliver much-needed stability and minimise disruption for universities and students. Areas of higher education and research which should have transition arrangements in place after the UK leaves the EU include:

- Tuition fees and student support for EU nationals
- Horizon 2020 research funding, and
- Erasmus+

- 4.2 The length of the transition period should be confirmed at the earliest opportunity so that universities can adjust and plan accordingly; and if the period is extended this should be agreed with as much notice as possible. We would suggest the transition period should continue until the UK's future relationship with the EU has been fully developed and agreed.
- 4.3 At the same time, a long-term post-transition agreement should be sought. A positive outcome is needed in which our universities can continue to recruit and retain researchers, academics and technical experts from anywhere in the world without bureaucratic visa burdens. Participation in international research collaborations with a focus on excellence should be as frictionless as possible and the UK should continue to invest ambitiously to ensure it maintains its position as a world-leader in research and innovation.

Tuition fees and financial support for EU nationals

- 4.4 We have welcomed the confirmation from the government that tuition fees and student finance arrangements for EU students remain unchanged for the 2017/18 and the 2018/19 academic years. However, prospective students from the EU will be starting to make choices about where to study soon and universities will be publishing their prospectuses for 2019/20 in the Spring of 2018 (some as early as January). Beyond the date of the UK's exit from the EU, our universities need clarity as soon as possible on what tuition fee rate will apply to non-UK EU students and, if there any changes, when these will come into effect.
- 4.5 **We would welcome a transition period during which the status of EU students remains unchanged.** This includes rights to remain in the UK for study and post-study work, eligibility for 'home' fee rate and access to loans and grants for the duration of their course.
- 4.6 Beyond this transition period, any changes regarding the fee status and access to finance for students from EU countries should apply only to new cohorts of EU students and may need to be phased in gradually over the recruitment cycle to allow universities the time to adapt their financial and recruitment planning.

Horizon 2020 research funding

- 4.7 For Russell Group universities, participation in the EU Research Framework Programme Horizon 2020 brings valuable opportunities for collaborative and interdisciplinary research, as well as a vital source of funding. Russell Group universities have made over 9,000 collaborative links under Horizon 2020 so far, and our institutions were awarded over £526 million in research grants and contracts from the EU in 2015/16, accounting for 12% of their collective research grant income.
- 4.8 We welcomed the early commitment from the Government that HM Treasury will underwrite funding for Horizon 2020 projects awarded before the date of exit. The European Commission has confirmed that the UK continues to be eligible to participate in collaborative research projects and to apply for new funding until the date of exit.
- 4.9 Nonetheless, for as long as there is uncertainty about the UK's participation in Horizon 2020 beyond the date of exit, the UK risks becoming a less attractive collaborative partner for leading researchers (and research organisations) and our universities risk losing top academic talent. Consortia bids for EU funding can take months, and sometimes more than a year, to prepare and agree and researchers at our universities need urgent confirmation on whether they will continue to be eligible to participate in Horizon 2020 projects beyond the

date of exit. We are already starting to see indications of long-term research partners being reluctant to engage in new projects with the UK because of this uncertainty.

- 4.10 The PM's comments in her speech on 22 September that no country should have to pay more or receive less as a result of the UK leaving the EU are welcome. We hope this means that the UK will honour its commitments to the full Multiannual Financial Framework (i.e. to the end of 2020), which should also cover commitments to Horizon 2020, Erasmus+ plus and other programmes.
- 4.11 **We urge the Government to secure, at the earliest opportunity, the UK's full participation in Horizon 2020 and Erasmus+ to the end of the programmes as before the withdrawal** (this is the wording used by the European Commission in its position paper on the financial settlement)¹. This pragmatic approach would provide clarity and stability to the end of 2020 and give European partners reassurance that they can continue to collaborate with UK universities on existing research projects and to include the UK in consortia for new funding bids under the current programme.
- 4.12 We have welcomed the UK Government's desire to secure a "far-reaching" and "ambitious" science and innovation agreement with the EU, as set out in the future partnership paper on collaboration on science and innovation published on 6 September. The Russell Group hopes to work with the Government to develop an outline of what this ambitious new relationship could entail beyond the transition period for continued collaboration which is in the mutual interest of both the UK and the EU.

Erasmus+

- 4.13 The European exchange programme Erasmus+ is greatly valued by Russell Group universities, their students and staff. Over 15,000 students from UK universities took part in the Erasmus+ programme in 2014/15. The programme gives students the opportunity to study abroad and can help improve language skills, enhance cultural awareness, expose new methods of learning and working and increase independence and maturity.
- 4.14 We have welcomed confirmation that the Treasury will underwrite grant agreements for Erasmus+ signed while the UK is still an EU Member State (even if payments continue beyond the point of the UK's EU exit date), which will include mobility in the 2018/19 and 2019/20 academic years.
- 4.15 Prospective undergraduate students and universities alike still require clarity regarding the UK's participation in the Erasmus+ programme beyond the 2019/20 academic year. Whilst Erasmus+ is open to all students, the biggest implications are for those on modern foreign language courses where a year abroad is compulsory to the course. Similarly, students from universities across the EU will be planning for study abroad and need clarity on whether the UK will continue to welcome students under Erasmus+.
- 4.16 **We hope the Government will secure a good deal for the UK's participation in the Erasmus+ programme** to enable continued valuable academic and cultural exchange for UK and EU students and staff. Even if the Government considers alternative mobility programmes for the future, a transition period to any new system will be essential to allow sufficient time for students and universities to plan ahead.

¹ Subject to the financial settlement: "the United Kingdom should continue to benefit from all programmes as before the withdrawal until their closure under the condition that it respects the applicable Union law": https://ec.europa.eu/commission/sites/beta-political/files/essential-principles-financial_settlement_en_2.pdf

5. Implications of “no deal”

- 5.1 Failure to reach a formal agreement on the terms of the UK’s withdrawal from the EU, a “no deal” scenario, would have significant implications for the UK. For Russell Group universities, it would impact their ability to deliver world-leading research and education. Whilst the full scale of the impact cannot be known, we are concerned that the necessary contingencies and mitigating actions for the immediate challenges resulting from “no deal” could not be implemented rapidly enough to mitigate against the risks.

EU citizens

- 5.2 Russell Group universities are highly internationalised. EU staff and students bring crucial expertise and skills, contribute to diversity on campus, underpin the sustainability of certain key disciplines at our universities and play a role in ensuring the UK has a highly-skilled future workforce. There are around 61,000 students of other EU nationalities at Russell Group universities, making up 8% of all undergraduate students and 15% of all postgraduate students. Our universities employ around 25,000 members of staff of other EU nationalities, and one fifth of Russell Group academics are EU nationals. Failure to guarantee the rights of EU citizens already in the UK to continue to live, study and work here could lead to an abrupt loss of vital talent for our universities which would have significant impact on our international competitiveness in research and education.
- 5.3 We need confirmation as soon as possible on the continued working rights for current EU staff (and their dependants) at UK universities and for those who take up positions during the transition period. We would want staff and their dependants to retain the same rights to stay and work without a visa that they have now (with no time limit placed on this). **If no deal on citizens’ rights can be reached in the Brexit negotiations, we would call on the Government to guarantee the rights of EU nationals currently in the UK unilaterally.**
- 5.4 If EU staff were required to meet current Tier 2-style visa conditions in the absence of an agreement which guarantees their rights to stay, our analysis shows that nearly a quarter of existing EU staff (over 6,000 people) at Russell Group universities would not be eligible to work in the UK. This includes a significant number of staff with postgraduate, doctoral and other higher degrees (over 2,100 individuals). This would be a great loss for the UK’s science base and one that could take many years, and probably decades, to rebuild. It is certainly not the case that EU staff at Russell Group universities could be replaced easily by UK nationals (particularly in the short term) as they are unlikely to have the specialist skills, expertise and experience to match those brought to the UK by excellent European academics.
- 5.5 There is also a key issue of EU citizens who may come to the UK to work or study after Brexit. Urgent reforms to the domestic immigration policy would be required to ensure UK universities can continue to recruit talented staff and students from across the EU and more widely, prioritising highly skilled people (including researchers and academics), those with specialist knowledge and expertise (including technicians, analysts, and expert practitioners) and students.

EU research collaboration and funding

- 5.6 Without an agreement with the EU for continued participation in the Framework Programme, UK institutions would cease to be eligible for EU research funding on the day of exit, and researchers at our universities would immediately lose the ability to bid for this funding in the future. Another key concern are the projects which span the date of UK exit from the EU. The HM Treasury underwrite guarantee could only support these projects if arrangements are put in place such that UK institutions remain eligible for participation.

- 5.7 A sudden cliff-edge in research funding from the EU will have a serious impact on our universities' international competitiveness in research. It is already the case that talented researchers at our universities are being approached by universities in other European countries with offers of academic contracts, so a sudden loss of access to EU research programmes in the UK could motivate many to relocate.
- 5.8 The research and innovation community needs reassurance that there will be no hiatus in research funding after the UK leaves the EU. In the case of "no deal", the Government should be prepared to act quickly to set up a new system in the UK which would seek to replicate some of the key benefits we currently value in our interactions with the EU. There could be lessons to learn the Swiss example, as Switzerland's status as an associated country to Horizon 2020 was removed abruptly following a referendum to limit mass immigration. A 'Temporary Backup Scheme' was established to replace access to ERC grants and Switzerland was later able to negotiate partial access to the EU programme.

Measures to "bank" progress

- 5.9 Even if an agreement can be made on the withdrawal terms in phase one of the negotiations there is still a risk that the second phase negotiations on the future relationship could break down or run out of time. We would support any measures to "bank" progress made on the withdrawal terms – particularly regarding EU citizens' rights – to provide a guarantee that this agreement will be upheld regardless of the outcome of the rest of the negotiations.

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