

WHAT SHOULD BE THE GOVERNMENT'S PRIORITIES FOR EXIT NEGOTIATIONS AND POLICY DEVELOPMENT TO MAXIMISE THE CONTRIBUTION OF BRITISH UNIVERSITIES TO A SUCCESSFUL AND GLOBAL UK?

As government looks to minimise the turbulence and maximise the opportunities associated with leaving the European Union, British universities have a vital contribution to make to a successful, dynamic and internationally competitive post-exit United Kingdom. Universities can play a central role in driving inclusive economic growth locally, regionally and nationally; improving productivity as part of a new industrial strategy; and strengthening our international trade and diplomatic relationships across Europe and the wider world.

Our universities are a British success story: world-renowned, internationally competitive and a major economic asset, generating annual output of £73 billion for the British economy and contributing 2.8% of UK GDP. Universities generate over 750,000 jobs and around £11 billion of export earnings for the UK annually. Through research, teaching and other activities universities make a major contribution to society, to individuals and to social cohesion. This positive impact is felt by local communities in every region of the UK.

The UK's scientific research institutions are ranked second in the world for quality. With only 0.9% of the world's population, the UK produces 15.9% of the world's most highly-cited articles. The UK ranks first in the world by field-weighted citation impact (an indicator of research quality). Universities support the UK's soft power and global partnerships: many leading international figures are alumni of British universities and our universities are connected with businesses, governments and research partners worldwide.

The positive contribution of UK higher education to the UK economy and society will be greatest if British universities are magnets for international talent, are welcoming to international students and are leaders in international research collaboration.

Concerns for universities posed by the UK exiting the European Union include:

- Increased barriers to recruiting talented European staff
- Damage to international research collaboration
- Increased barriers to recruiting European students
- Loss of funding for research and innovation
- Reduced outward mobility opportunities for staff and students

To ensure that British universities can maximise their contribution to a globally successful UK the right support is needed from government to address these concerns. This briefing outlines what the UK government should prioritise, in three stages:

1. Short-term transitional arrangements
2. Exit negotiations
3. Domestic policy change

The policy priorities outlined are for the whole of the UK, although it should be recognised that some of the issues are devolved matters and will require devolved solutions.

SHORT-TERM TRANSITIONAL ARRANGEMENTS

Universities acknowledge that many issues related to Brexit are complex and will take time to resolve. The following measures, however, could be taken by government immediately and would help to address uncertainty and promote stability through a transitional period as the UK exits the EU.

- 1. Confirm rights to reside and work in the UK post-exit for EU nationals that are currently working in the university sector and their dependants.** This should include confirmation of their access to public services. The government should take this step now, ahead of exit negotiations, to provide certainty for these hugely valued individuals.
- 2. Confirm that EU students starting a course in 2018–19 and 2019–20 will continue to be eligible for home fee status, and be eligible for loans and grants** on the current terms, and that this will apply for the duration of their course. This would allow universities time to plan for a phased transition to a reformed post-exit immigration system. This assurance is needed as soon as possible as universities have already, as of early 2017, begun to receive enquiries from prospective students for the 2018 intake.
- 3. Signal that the government will seek to secure continued UK participation in the Horizon 2020 research and innovation framework programme** for the remainder of the current programme. This would provide some reassurance to researchers, both inside the UK and across Europe, currently part of Horizon 2020 projects or those bidding to be part of them, and signal that the UK is committed to international research collaboration.

PRIORITIES FOR EXIT NEGOTIATIONS

As part of exit negotiations, the government should prioritise securing:

- 1. Residency rights for EU nationals currently working in the university sector, and their dependants.** This should include confirmation of their permanent right to work in the UK and access to public services. This should be the very first issue that the UK government addresses if these rights have not been guaranteed ahead of exit negotiations.
- 2. Continued UK participation in the Horizon 2020 research and innovation programme to the end of the programme period** in 2020, even if this date is post-exit, in order to maximise stability in the short term.
- 3. Close collaboration with European partners to deliver excellent research.** International collaboration is essential to the success of research and innovation in the UK. Currently, Horizon 2020 provides a ready-made platform for collaborating with key European partners, including six of the UK's top 10 research partners. Participation in Horizon 2020 allows access to a multi-national pooled financial resource that supports – and incentivises – collaboration. The programme offers globally-recognised prestige, enabling access and exposure to networks and contacts that inform further collaborations. It also provides a single regulatory framework for collaboration.

Provided the 9th Framework Programme (FP9) for research and innovation (the successor to Horizon 2020) maintains a focus on excellence then the government should seek access to it, as well as influence over its future shape.

The government should equally prioritise developing new collaborative funding arrangements and provide enhanced support for collaboration with both European partners and major research powers outside of Europe, with a focus on delivering excellent research.

4. Continued access to Erasmus+ and the Marie Skłodowska-Curie Actions programmes.

These schemes enable UK students and staff to pursue international experiences that directly benefit their academic performance and their wider employability, while enabling them to cultivate international networks which sow the seeds for future collaboration, whether academic or professional.

Erasmus+: Erasmus is a significant programme for student outward mobility, responsible for some 46% of all current mobility of UK students. Maintaining and building on levels of outward mobility will be an important way of growing the skills and experience necessary for the UK to be a global trading nation. This would be a pragmatic and cost-effective move given the expense and bureaucracy involved in setting up an alternative replacement scheme at a national level at this scale. However, continued access to Erasmus should be coupled with enhanced investment to grow other international mobility opportunities.

Marie Skłodowska-Curie Actions (MSCAs): Participation in the MSCAs allows universities to host talented foreign researchers and to create strategic partnerships with leading institutions worldwide. Evidence suggests that MSCA placements enjoy a highly positive reputation and play an important role in attracting talented EU researchers to the UK. MSCA fellows are also more successful in applying for European Research Council competitive grants.

5. An outcome which allows for the continued recognition of professional qualifications between the UK and the remaining 27 EU member states. The mutual recognition of qualifications facilitates efficient and easy labour market mobility between countries. In particular, the Professional Qualifications Directive provides a comprehensive EU system for recognition of professional experience, makes labour markets more flexible and promotes automatic recognition of professional qualifications in EU and EEA countries. Leaving the Single Market could mean that the UK was no longer covered by the directive which could, in the long term, reduce the value of a UK degree, as prospective EU students considering studying in the UK would be left without any safeguard in relation to the transferability of the qualification. In addition, leaving the Single Market could restrict UK residents' ability to undertake qualifications in certain professions across the EEA and then be able to practise their profession in the UK if they wished to return. In order to ensure the continued transferability of professional qualifications between the UK and the EU, this area must feature as part of exit negotiations, and in a future trade deal between the UK and the EU.

6. Preserving and building on regulatory and standards equivalence with other EU countries. A common regulatory framework has been a major enabler for research collaboration through providing certainty and consistency. It has provided a common set of rules to underpin EU-funded research collaboration, including on intellectual property and the commercialisation of research. If the UK is to continue to collaborate with European partners, and in particular if it is to continue to access research programmes, it will need to ensure that we are aligned with regulation relating to intellectual property and research commercialisation.

DOMESTIC POLICY CHANGE

In addition to securing a positive outcome during exit negotiations, the UK's exit from the EU presents government with an opportunity to develop policy to capitalise on the UK's unique strengths to achieve economic growth and international influence. The following domestic policy changes are necessary to ensure that British universities can thrive outside the EU and deliver maximum economic and social impact in communities across the UK.

1. A simplified and improved visa regime for international staff. The UK's economic success and global influence outside of the EU will be maximised by the government putting in place an immigration system that supports the UK to be a destination of choice for international talent. The government has an opportunity to reshape the immigration system to recognise the value of attracting overseas talent

from countries both in Europe and beyond. Reflecting public opinion on immigration, a new regime should prioritise highly skilled groups such as post-doctoral researchers, academic staff, and technical and professional staff, regardless of their nationality. A phased transition with minimal barriers for EEA staff is needed while significant reforms are made to create an immigration system which better recognises the importance of international talent.

A reformed system should be simpler, less expensive and more user-friendly for all international university staff, and with minimal bureaucracy and lower administrative burdens for both applicants and employers. It should also provide the flexibility needed to accommodate all forms of academic and research mobility, from exchange programmes to longer-term courses and posts, from early career talent to established global stars. An improved visa regime should be coupled with a government-backed campaign of communications and incentives to attract leading global academic talent to the UK.

- 2. A simplified and improved visa regime for international students.** While maintaining the current arrangements for EEA students for a transitional period, the government should seize the opportunity that Brexit provides for reshaping the immigration system to reduce barriers for qualified international students, recognising their huge local economic and social impact. Acknowledging strong public support for international students, the government should simplify and improve the visa regime to encourage students from both Europe and the wider world who would benefit from UK higher education and can support themselves to study, to choose to study in the UK. This should include removing international students from the net migration target and communicating a welcoming message worldwide that the UK is an open and attractive destination for students.
- 3. Enhanced support for international research collaboration.** The government should prioritise developing new collaborative funding arrangements and provide enhanced support for research collaboration with both European partners and with major research powers outside of Europe, with a focus on delivering excellent research. This should include new funding sources to incentivise and enable bilateral and multilateral collaborations with high quality international research partners – both established major partners such as the United States and emerging powers such as India and China.

Such an approach would benefit from being underpinned by a cross-government approach to supporting international research (as part of a wider international research and education strategy), covering engagement with both the developed and developing world, and drawing together and building on the disparate funding mechanisms which exist for international collaboration currently. This more joined-up and strategic approach should include promoting research collaboration opportunities (through the new Department for International Trade) as a central pillar of the UK's offer to overseas governments and businesses.

- 4. Increased public investment in research.** The UK is currently a net beneficiary of EU research and innovation programmes. Under Framework Programme 7 (which ran from 2007 to 2013) the UK won around €8.8 billion in grants, while paying in around €5.4 billion. If the UK's exit from the EU results in a fall in public funding available for research and innovation, the government should immediately ensure that any losses are replaced by domestic funding.

However, the UK should be much more ambitious than this. To maximise the positive economic and social impact of universities, and further the UK's international competitiveness, the government should commit to a real terms increase in public research and development funding, with the aim of moving the UK further towards the OECD average for spending as a percentage of GDP. Currently, as a percentage of GDP, UK public investment in research falls well below competitor countries such as the United States, Germany and France. This investment would enhance the international standing of the UK research base, helping to ensure that the UK is the preferred collaborator for leading research powers around the world post-exit. Increased public investment in research also makes economic sense, with analysis suggesting that R&D expenditure typically has a rate of return of between 20% and 50%.

- 5. Enhanced mobility opportunities for UK staff and students.** Government must use Brexit as an opportunity to invest in international mobility programmes to support international experiences, recognising that Erasmus+ forms a key component – but only part of – the wider landscape of outward mobility. Government should adopt a quantitative target for UK students having outward mobility experiences, in recognition of the impact such an experience has on an individual’s skills and employability, and in order to bring the UK’s performance more in line with its key competitors.
- 6. Supporting innovation to drive economic growth.** Brexit provides an opportunity to create new mechanisms to facilitate and enhance universities’ role in driving innovation and growth at a local level and generating jobs. European Structural and Investment Funds (ESIF) should be replaced by alternative domestic funds at a UK and devolved administration level, including funding for innovation-focused capital investment projects. UK and devolved governments should invest in catalysing collaborations between universities, business and the wider community to support innovation-driven economic growth. Strong collaborations at the local and national level are important in order for the UK to develop beneficial and long-lasting relationships with international partners. For example, increased investment in those existing flexible funds for knowledge exchange, such as the Higher Education Innovation Fund (HEIF) in England – which has a proven track record in driving collaborations between universities, business and the wider community – would strengthen the UK’s ability to compete on the international stage, while supporting local and national growth. We welcome the indications relating to HEIF in the government’s Industrial Strategy Green Paper.
- 7. Improved regulation and infrastructure to make the UK the best place in the world to do science and research.** The UK’s exit from the EU provides an opportunity for the UK to increase the scale of its scientific ambitions and to review the opportunities for regulatory reform in order to make the UK the best place in the world to do science and research. The UK government should identify opportunities to develop and host international research facilities, building on the success of initiatives like the Francis Crick Institute. The government should conduct a comprehensive review of the current regulatory landscape to identify where regulatory areas previously governed by EU rules could be revisited and improved, without prejudicing the UK’s ability to lead and coordinate pan-European research projects.

FURTHER DETAILS

This briefing provides a summary of the steps that government should stake to ensure universities can thrive post-exit. Universities UK has developed more detailed policy proposals on many of the issues summarised here, along with supporting research and evidence.

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