

1. About Universities Wales

1.1. Universities Wales represents the interests of universities in Wales and is a National Council of Universities UK (UUK). Universities Wales' Governing Council consists of the Vice-Chancellors of all the universities in Wales and the Director of the Open University in Wales.

2. Introduction

2.1. As the UK and Welsh Government develop plans to seize the opportunities and minimise the uncertainty presented by exiting the European Union (EU), the university sector can make an invaluable contribution to a dynamic, outward-facing and competitive Wales.

2.2. Universities in Wales are committed to working with Welsh Government and others to navigate the best course for Wales and the rest of country as Britain exits the EU. Whilst the process of exiting the EU will bring challenges, we are committed to maximising the opportunities it will present for Wales.

2.3. We welcome the commitment by Welsh Government in their Programme for Government to “better utilise our existing relationships with Welsh universities to help sell Wales to the world following the Brexit vote – and work with the sector to ensure protection for students, and important research grants.”

2.4. Our universities in Wales are internationally competitive and a major economic asset, that bring widespread benefits to individuals, communities, the nation as a whole and government in Wales. The total combined impact of Welsh universities and their students on Wales' GVA came to nearly £2.4 billion - equivalent to 4.6% of all Wales GVA in 2013. Welsh universities bring in a total of £413 million of export earnings¹ and income to Wales through knowledge exchange between universities and the public, private and third sectors was £201 million in 2013/14².

2.5. Universities can play a central role in driving inclusive economic growth locally, regionally and nationally; improving productivity as part of a new industrial strategy;

¹ £218 million international revenue and £195 million off-campus expenditure of international students

² Higher Education Business and Communities Interaction (HE-BCI) survey

and strengthening our international trade and diplomatic relationships across Europe and the wider world.

- 2.6. Welsh universities have been appreciative of the statements made thus far by Welsh Government on EU students starting in 2016/17 and 2017/18. Furthermore the priorities outlined this year by the First Minister in his speech at Bangor University in November and by the Cabinet Secretary for Education at Cardiff University in September, we believe demonstrates that Welsh Government understand the key priorities for Welsh universities and that universities will continue to work positively with Welsh Government.
- 2.7. This submission includes further measures that Government can take to help universities maximize their contribution to the UK's economy, regional development and global influence in the coming years. The following are areas of concern for universities in Wales that the Committee should consider to ensure that universities are best placed to maximise Wales' economic success and global influence during and after the UK leaves the EU.

3. Encouraging students from around the world to choose to study in Wales

- 3.1. Overseas students make an enormous contribution to Wales – academically, culturally and economically. There were 5,424 EU students of all modes and levels (i.e. Full and Part Time, Undergraduate and Postgraduate) at Welsh universities in 2014/15, equivalent to 4% of the student population. EU students in Wales generated £150.3m for the Welsh economy and over 1,400 FTE jobs across the country in 2014/15.
- 3.2. Until the moment the UK leaves the EU, any EU student should be entitled to the same fees and access to loans as they currently are in Wales, for the full duration of their course (even if this extends beyond the point at which the UK leaves the EU). Provided the UK Government makes a similar commitment in relation to access to loans and grants for students applying for study in 2018/19, we are confident Welsh Government would follow suit.
- 3.3. Recent opinion polling³ shows the public are extremely positive about international students. The UK-wide poll revealed that only a quarter (24%) of British adults think of international students as immigrants. Of those that expressed a view, 75% say they would like to see the same number, or more, international students in the UK, a figure which jumped to 87% once information on the economic benefits of

³ October 2016, conducted by ComRes for Universities UK <http://www.comresglobal.com/polls/universities-uk-international-students-poll/>

international students was provided. 5.4% of respondents to the survey were based in Wales, and of these only 19% consider international students to be 'immigrants' and 80% agreed that international students have a positive impact on the local economies of the towns and cities in which they study.

- 3.4. Regardless of the final settlement between the EU and the UK, it is important that the Welsh Government continues to publicly affirm the value placed on EU students and their contribution to Welsh universities, invests in supporting future recruitment overseas through promotional activity, and provides reassurances to current EU students that they will remain welcome in Wales following its departure from the EU.
- 3.5. A drop in student recruitment from the EU will have a significant financial impact on all Welsh universities and would adversely affect the diversity of the student body, which broadens perceptions and prepares our graduates for an increasingly global world of work.
- 3.6. Furthermore, Welsh Government should consider any adverse effects on reciprocity i.e. how decisions will affect Welsh students in, and wanting to study in EU universities.
- 3.7. Post-Brexit, universities in Wales are anticipating that EU students will be treated on the same basis as current international students, both in respect of student fees and access to student finance. It is imperative however, we remain open to well qualified international students in the future, including EU students and their dependents, regardless of the wider agreement reached on the immigration status of EU nationals. Putting up unnecessary barriers to what are, in effect, export earnings, would be illogical in a post-Brexit world.

4. Making the UK an attractive destination for talented university staff

- 4.1. EU staff play a critical role in supporting the excellence of Wales' research base, as well as the quality and diversity of teaching provision. The latest HESA information indicates that there were 1,355 staff from the EU at Welsh universities (academic and non-academic staff).
- 4.2. The excellence and global competitiveness of Wales' research base relies on attracting and retaining the most talented researchers to pursue ground-breaking projects at Welsh universities, regardless of where they come from. Inability to recruit and retain the best researchers has serious risk of damaging our internationally excellent research reputation and losing the beneficial impact Wales' research has on Wales. The outstanding results of Welsh universities in the Research Excellence

Framework (REF 2014) were reliant on high performing research teams, many of which are strengthened, if not dependent on, international mobility.

- 4.3. In recognition of the contribution made by EU staff, Universities Wales is of the strong opinion that the UK Government must make a clear and unequivocal statement affirming that staff from the EU's future right to reside, alongside their dependents, will not be brought into question following the UK's exit from the EU and invest in promotional efforts to support the attractiveness of the UK as a destination for talent.
- 4.4. In the long term, we urge the UK Government to affirm that it is a priority to ensure that future EU staff coming to the UK will not be impeded by an unwelcoming system of unnecessary bureaucracy regardless of the wider immigration status of EU nationals.
- 4.5. Universities Wales is concerned about either an income threshold or a skills level threshold for workers from the EU until further investigation of the staff grades of EU staff had been examined e.g. highly-specialised technical staff. Whilst this is a matter for UK Government, it is important that Welsh Government, working with Welsh universities, consider the specific skills shortages and geographic challenges in Wales compared to the rest of the UK.

5. Increasing public investment in research and innovation

- 5.1. In 2014/15 the total EU research grants and contract income for Wales was approximately £46 million. This represented around 21% of total research grants and contracts income in Wales for that year. However, financial statements will only provide a historic view of the income that universities have received from EU sources. Of much more significance is the income that they are forecast to receive from projects currently funded, or in the process of being funded by the EU.
- 5.2. European Structural and Investment Funds play a crucial role in supporting universities to generate local growth and jobs by turning ideas and research discoveries into new companies, by fostering entrepreneurship and employability, and by attracting talented people to study, work and spend in their areas. As the third largest recipient of structural funds in the last round, universities are very exposed to the withdrawal of this funding. It is crucial that this funding for infrastructure and capacity-building is maintained, regardless of whether this comes from the EU or national budgets.
- 5.3. In 2015 alone, almost £25 million of ERDF funding was approved for proposals led by universities in Wales to enhance R&I infrastructure and build capacity, namely

through the Aberystwyth Innovation and Enterprise Campus and Cardiff University's Brain Research and Imaging Centre.

- 5.4. Wales has received over £4bn in Structural Funds since 2000 and we understand this presents a challenge for Welsh Government in terms of shaping their future economic strategy. Universities Wales is committed to working with Welsh Government to look at future proposals that avoid 'pockets' of replacement funds but consider strategic capital funding plans to achieve their ambitions for Wales whilst utilising the role of Welsh universities as economic and social anchors in many of Wales' regions.
- 5.5. Universities Wales want to continue as close participation as possible in the European Research Area, including full participation in Horizon 2020. The latest Horizon 2020 total for Welsh universities based on 2014 and 2015 calls (to date) was €28,532,306. However, if the UK is no longer able to access frameworks such as Horizon 2020, we risk the loss of access to collaboration – equally as crucial as funding.
- 5.6. Welsh universities have the highest percentage of 'world leading' research in terms of its impact of any part of the UK, with almost half of it considered to be having a transformational effect on society and the economy⁴. Much of this can be attributed to these international collaborations, which have been crucial to addressing global challenges. Long term economic growth is above all determined by knowledge accumulation and technological progress⁵ and there are few sectors of the Welsh economy with the capacity or scope to grow and generate export earnings as well as universities⁶. It is imperative for Wales that our universities are still able to access the both the most talented researchers and all available funding streams, underpinned by sufficient capital investment, in order to continue delivering these benefits for Wales and play their crucial role in growing prosperity in Wales.

6. Supporting UK students and staff to access vital global opportunities

- 6.1. The Erasmus+ programme provides students and staff the opportunity to gain vital international skills and experience. Whilst Universities Wales will urge the UK Government to prioritise negotiating continued participation in Erasmus+, at the same time we are keen to work with Welsh Government to consider further domestic policy interventions to support Welsh students and staff in gaining the international skills and experience necessary to support Wales as a global trading nation.

⁴ 2014 Research Excellence Framework (REF)

⁵ OECD, *The OECD Innovation Strategy - Getting a head start on tomorrow*, 2010.

⁶ Welsh Government, *Programme for Government Annual Report 2012*, p.3 & 6.