

CYPE(5)-22-18 – Paper 1

On behalf of Cardiff University, please find enclosed a response to the [inquiry](#) by the Children, Young People & Education Committee on the impact of Brexit on Higher and Further Education.

As you know, Cardiff University is an ambitious and innovative university with a bold and strategic vision located in a beautiful and thriving capital city. Our world-leading research was ranked 5th amongst UK universities in the 2014 Research Excellence Framework for quality and 2nd for impact. We provide an educationally outstanding experience for our students. Driven by creativity and curiosity, we strive to fulfil our social, cultural and economic obligations to Cardiff, Wales, and the world.

Our ambition is to be among the top 100 universities in the world and top 20 in the UK. Our [new strategy](#) sets out our strategic direction and focus on research, innovation, education and students, international and civic mission. We have 31,595 students enrolled, representing over 130 countries, including from the EU. We have a world-leading research community with a strong and broad research base; our research contract awards have a total value of over £530m. We have won seven Queen's Anniversary Prizes and our researchers include two Nobel Prize winners.

Over the last few months, colleagues and I have read with interest the Welsh Government's Brexit papers on trade policy and regional investment. I welcome the Welsh Government's proactive engagement with some of the major challenges facing our economy in light of the decision to leave the European Union.

I look forward to seeing your Committee's final report, and would be more than happy to contribute towards any discussions you may have on the points raised above. If you require any further information, please do not hesitate to contact me.

Professor Colin Riordan

Overview

1. Support for higher education will be crucial if Wales and the UK are to make a success of Brexit. By securing an effective post-Brexit settlement, universities can continue to make a vital contribution to a successful, dynamic and internationally competitive country and continue to attract international talent.
2. Cardiff University is a key driver of economic and social prosperity in Wales. We are a global, outward-looking university with links to more than 100 countries, and we have a strong sense of civic mission. A 2016 report by London Economics¹ found that Cardiff University contributes nearly £3bn to the UK economy, with the University's contribution to the Welsh economy approximately £2.2bn in 2014-15. Generating £6.36 for every £1 it spends, Cardiff is positioned as a top five university within the 2014 Research Excellence Framework; our research tackles challenges of global significance while our students receive a student experience that is ranked among the best in the UK.
3. Whilst we welcome the progress that has been made to date by the UK Government on the transition deal, there is much which has yet to be negotiated. Those negotiations will be complex and there is a strong possibility that any agreement on Horizon 2020 and Erasmus+ will remain dependent on other matters being satisfactorily concluded as part of a package, which could delay matters such that we once more find ourselves under time pressure ahead of the effective full withdrawal from 2021. The university sector really needs to have such matters resolved a good 18 months ahead of time – in other words by mid-2019 at the latest – if we are not to be faced with another cliff-edge or at least a gap between the end of Horizon 2020 and Erasmus+ and their successor programmes. Bridging such a gap would be difficult and sub-optimal, and it could mean that we would find it difficult to engage with the successor programmes adequately when we do have access. However, we very much welcome the Prime Minister's commitment in her speech at Jodrell Bank on the 21st May 2018 to pay for "full association" with EU research programmes. On top of that are the related matters such as clinical trials and the data protection framework which could have a material effect on research. There is good will on both sides to address and resolve all these questions, and it does look now as if we should have sufficient time to do so, but much depends on the big issues being resolved during the course of the next six months or so.
4. We note the recent report² of the External Affairs Committee into Wales' future relationship with the EU, and we strongly welcome the following findings:
 - **Recommendation 6.** We recommend that the Welsh Government seeks clarity from the UK Government on the timescales for moving to a future

¹ London Economics (2016) [The economic and social impact of Cardiff University: 2014-15 update](#). London: London Economics.

² National Assembly for Wales: External Affairs and Additional Legislation Committee (2018) [Wales' Future Relationship with Europe: part one – a view from Wales](#), Cardiff: National Assembly for Wales.

immigration system at the earliest opportunity in order to provide businesses and public sector bodies with much needed certainty on the recruitment issues that they may face in the future.

- **Recommendation 10.** If no agreement on Horizon 2020 and any successor programmes is reached between the UK Government and the EU, we recommend that the Welsh Government explores ways in which it could provide continued support for Welsh institutions to collaborate with European counterparts after Brexit.
- **Recommendation 11.** We recommend that the Welsh Government explores the potential for a new international student mobility programme after Brexit, and reports back to the Committee within six months.
- **Recommendation 12.** We recommend that the Welsh Government maps all existing EU networks, across all sectors, in which Welsh organisations play a role. The results of this mapping exercise should be published by June 2018.
- **Recommendation 13.** Following publication of the results of this mapping exercise, the Welsh Government should consult with stakeholders on the importance of these different networks, their benefits to Wales and which networks should be prioritised for access after Brexit. The consultation should be concluded by autumn 2018.
- **Recommendation 14.** We recommend that, based on the results of the consultation, the Welsh Government should set out plans for investing in Welsh participation in these networks, and consider the funding opportunities and implications for Welsh civil society to continue to collaborate with partners in key networks
- **Recommendation 17.** We recommend that the Welsh Government explores the opportunities for both governmental and non-governmental organisations in Wales to effectively engage with the EU and its institutions after Brexit.

We strongly urge the Children, Young People & Education Committee to consider endorsing and amplifying these recommendations as part of your own inquiry.

5. Our responses to the specific consultation questions are covered below. To prevent repetition, some of the questions have been grouped together.

Question 1: What are the potential challenges to learner success and employability post-Brexit, and what is and could be done to meet these?

Cardiff University believes there is a risk to learner success if EU students no longer to choose to study at UK universities. We believe that having students (and staff) from the EU and across the world creates a beneficial and diverse learning environment. This diversity fosters creativity and innovation and is an important part of our culture. Whilst we welcomed the confirmation that EU students currently studying here will receive student support for the duration of their studies, it may be that this is outweighed by the perception of the UK as unwelcoming. This could impact on students who were planning to come this

year, and on future years' recruitment. We would advocate that EU students are also provided a similar guarantee regarding access to loan book financial support for EU students starting courses in 2019/20. We believe this will go some way to assuring EU students that they are welcomed and valued in the UK. Research demonstrates that an international experience improves students' academic and employability outcomes. For example, students who go abroad are 9% more likely to gain a 1st or 2:1 degree; 24% less likely to be unemployed and 9% more likely to be in graduate jobs six months after graduation, compared with those who don't.³ Students from disadvantaged backgrounds and BME groups have the most to gain. At Cardiff University, an analysis in 2016 demonstrated that students who have undertaken an international placement are more likely to have a 'positive' DLHE outcome, and that the difference is statistically significant.

Question 2: To what extent would any loss of the EU ERASMUS+ mobility scheme impact on the sector and what are the opportunities for alternative mobility schemes which currently exist or could conceivably be developed?

Early assurance is needed on the continued access to Erasmus+, but if this should prove impossible or undesirable, a replacement Welsh or UK scheme that will allow our students to study, work and volunteer abroad must be secured.

In 2016/17, 20.2% of graduating home undergraduate students had been internationally mobile during their time at Cardiff University⁴. Many of these participated in the Erasmus+ programme, supporting the enhancement of students' personal development, inter-cultural understanding and linguistic abilities, as well many of the transferable skills sought by employers.

We believe that Brexit offers an opportunity to create a new international outward mobility programme that could replicate and perhaps improve upon the most successful elements of the Erasmus+. This would allow universities to continue valuable collaboration with EU partners and support all our students spending a compulsory period abroad as part of their respective courses, in addition to supporting wider internationalisation of education in Wales and the UK.

Question 3: What potential challenges might Brexit pose to the financial sustainability of Further and Higher Education institutions?

Circa 7% of tuition fee income for Cardiff University is from non-UK EU domiciled students (2016-17 HESA Finance Return). This is a substantial figure and will likely be similar for other Welsh institutions.

The UK is a net beneficiary of European research funding. Overall research and development spend needs to be maintained at least at current levels to preserve the capacity of UK science and research and to maintain our position as a world leader in the field. The UK Government should consider seriously the possibility of

³ Universities UK International (2017) [Gone International: mobility works](#), London: Universities UK International.

⁴ Internationally mobile are defined as home students who have studied, worked or volunteered abroad for at least a month during their time at Cardiff.

negotiating full access to Framework Programme funding. Alternatively, provision would need to be made through uplift to the national science and research budget equivalent to the amount secured from Horizon 2020, recognising the UK as a net beneficiary from EU research programmes. The total value of funding received through Erasmus+ KA103 and KA107 projects so far (since 2014/15) is €4,097,514.25.

Question 4: How dependent are Further and Higher Education institutions investment plans on European funding and what are the opportunities for alternative sources of investment funding?

Universities in Wales receive a significant amount of funding from European Structural Funds⁵, and this continues to provide vital investment and funding for projects and infrastructure that contribute towards economic and social growth in Wales. European Structural and Investment Funds have also played an important role in both innovation funding in Wales⁶, and private investment in research and development. In addition, Higher Education institutions in Wales and the UK have benefitted significantly from borrowing from the European Investment Bank.⁷ High quality research and innovation are the bedrocks of a growth economy, and have knock-on benefits for all communities across Wales.

Urgent clarification is sought about how these funds will be sustained or replaced at a devolved level following the UK's withdrawal from the EU so that Welsh universities can continue to deliver the maximum economic and social impact in communities across Wales.

Should the UK look to establish a new regional development fund, such as the proposed UK Shared Prosperity Fund in place of ESIF, it is imperative it allocates funding to Wales appropriately and on a similar needs-based system if it is to help rebalance the economy.

Question 6: What is currently being done, and what might be done to safeguard EU research collaborations and networks in preparation for and after Brexit?

The Prime Minister has recently announced⁸ that she would like the UK to have the option to “fully associate ourselves with the excellence-based European science and innovation programmes – including the successor to Horizon 2020 and Euratom R&D.” Reassurance is therefore sought that that Welsh Government

⁵ Around £240 million awarded to date to Welsh universities for the period 2014-2020, according to the Welsh Government [list of Approved Projects 2014-2020](#).

⁶ A key driver of innovation activity in England is the Higher Education Innovation Fund and, similarly, in Scotland the University Innovation Fund. There is no equivalent fund in Wales. £160m innovation funding is currently provided in England with a recent additional increase of £160m funding for knowledge exchange.

⁷ <http://www.eib.org/infocentre/press/releases/all/2014/2014-075-gbp-45m-for-bangor-university-campus-investment-and-expansion-plans.htm>;
<http://www.eib.org/infocentre/press/releases/all/2012/2012-122-GBP-60-million-European-funding-boost-for-Swansea-University.htm>

⁸ <https://www.gov.uk/government/speeches/pm-speech-on-science-and-modern-industrial-strategy-21-may-2018>

will work with the UK Government to enable this, as well as in the cases of future EU research and innovation programmes focused on excellence, including FP9, now known as Horizon Europe. Should such access prove to be impossible, for example if the UK adopts Third Country status, a replacement scheme that will support collaborative international research must be secured.

Cardiff University believes that the overall level of spending on research and development needs to be maintained at least at current levels to preserve the capacity of UK science and research, and to maintain the UK's position as a world leader in this field. Research and innovation are global pursuits, reliant on ideas and people that are mobile across borders. It is not only the funds provided by the EU but also the networks and facilities made available to researchers. Continued collaboration in international networks is paramount if the UK is to maintain its standing as a leader in science and technology, and drive forward a culture of innovation.

If the UK Government secures continued access through "full association" to Horizon 2020 and future EU research and innovation programmes such as Horizon Europe, it will be important to ensure that we can continue to exert influence on the research programme and funding mechanisms.

If the UK Government cannot secure continued access, the government should make provision through uplift to the national science and research budget equivalent to the amount secured from Horizon 2020, recognising the UK as an existing net beneficiary from EU research programmes. The UK Government should consider building on existing mechanisms, such as the targeted Global Challenges Research Fund and the Newton Fund, and look to develop more bilateral partnerships (such as the recent UK and Ireland Research Summit).

In the event that the UK no longer participates in European research funding mechanisms post-Brexit, the Government should ask UK Research and Innovation (UKRI) to propose alternative mechanisms such as an International Research Council in partnership with other leading countries with a substantial advanced science base.

If sufficient access to funding cannot be negotiated, or alternative long-term funding cannot be found, then we will lose not only a major and irreplaceable funding stream, but the equally important opportunities to engage in international research collaboration. Such collaboration is critical to excellent science and any reduction could cause lasting harm to the UK research effort.

The total value of future research income to Cardiff University from live FP7 and Horizon 2020 projects, awarded up to 22 May 2018, amounts to £34M, with further applications to Horizon 2020 in the pipeline to the value of £31.6M. So far in Horizon 2020 we have been awarded nearly 80 projects, worth a total of £30.7M, covering topics ranging from developing the next generation of renewable energy connectivity through to research into diabetes. Applications to Horizon 2020 currently under review are valued at £31.6M. In addition, we have secured a further £3.5M from the Welsh Government's EU-funded MSCA (Marie Skłodowska-Curie

Actions) COFUND programme to support 19 individual Research Fellowships. Also our EU Structural Funds ERDF projects have brought in £54M, with a further £3.5M of projects pending contract. One significant recipient of this funding is the Cardiff University Brain Research Imaging Centre (CUBRIC).

Question 7: Are there any other matters relevant to this inquiry?

In addition to the points made above regarding Erasmus+, we would also like to raise the general issue of **the status of non-UK EU students and staff post-Brexit**. It is important to keep non-UK EU student numbers high in Wales, not just for universities in Wales, where they make up 4 per cent of all students, but also because they bring diversity to our student body and support the local economy. A recent Universities Wales report⁹ found:

- The off-campus expenditure of students from the rest of the EU generated over £110 million of output in the UK (of which £83 million was in Wales);
- 934 full time equivalent jobs were generated in the UK (692 in Wales);
- Non-UK EU students generated over £51 million of UK GVA (£37 million in Wales);

At Cardiff University, 16% of our academic staff and 5% of our students are non-UK EU nationals (10% of our research students are EU nationals). Our international students contributed £217m to the economy in 2014/15¹⁰. They are a long-term asset to cultural and trading partnerships of the UK. Many members of the public do not see students as migrants¹¹, and a policy of cutting international students to reduce net migration does not therefore address concern about immigration. Cardiff University are concerned that, **without mitigating action such as an EU scholarship or bursary, the worst-case scenario could see Wales lose 80-90 per cent of its current non-UK EU undergraduate students.**

We note the First Minister's recent announcement¹² of a £50m EU Transition Fund to provide a "combination of financial support and loan funding, and will support the provision of technical, commercial, export-related and sectoral-specific advice for businesses". In addition, the fund will be designed to help "employers retain and continue to attract EU nationals, who make a crucial contribution to Wales". **We believe there is a strong case for Welsh Government to provide dedicated support in the form of bursaries or scholarships for undergraduate, postgraduate and research students from the EU post-Brexit.**

Practically, facilitating work placements for students in Europe could become more difficult, depending on the resolution of visa requirements.

⁹ Universities Wales (2018) [The Economic Impact of Higher Education in Wales](#), Cardiff: Universities Wales.

¹⁰ London Economics (2016) [The economic and social impact of Cardiff University: 2014-15 update](#), London: London Economics.

¹¹ ComRes (2017) [UUK poll on British public's perceptions of international students](#), London: ComRes.

¹² Welsh Government (2018) [£50m fund to help prepare Wales for Brexit](#), Wales: Welsh Government

We also wish to highlight the **potential impact of Brexit on the Cardiff Capital Region City Deal**, and what this might mean for Cardiff University. Assurances from both UK and Welsh Governments are needed on the EU funding component of the Cardiff City Deal, specifically the allocation of £106m of funding for the development of the Cardiff Capital Region Metro from the European Regional Development Fund.

Cardiff University is involved in the Cardiff Capital Region City Deal, a £1.2bn agreement by UK Government, Welsh Government and the ten local authorities of south-east Wales. It seeks to improve productivity and drive innovation. It expects to create 25,000 jobs throughout the region and attract £4bn worth of private sector investment.

The University's involvement is expected to go much further. The City Deal foresees the potential for investment in other areas in which the University is able to offer expertise, such as software development and cyber security, public service innovation, energy and resources, the creative sector, health and wellbeing, and the development of the Cardiff Capital Region City Deal itself.

We are, therefore, seeking assurances from both UK and Welsh Governments on the status of the EU funding component of the City Deal, specifically the ERDF funding in pipeline projects, which includes approved funding for compound semiconductor investment and business support, and the allocation of the agreed £106m for the development of the Cardiff Capital Region Metro from the ERDF.

Conclusion

Cardiff University is committed to working with partners to navigate the best course for Wales and the rest of country as the United Kingdom exits the European Union.

Though the UK's exit from the EU will bring challenges, we are committed to seeking opportunities in the new world context. We want to continue to form productive collaborations across Europe and across the world.