

Kirsty Williams AC/AM
Ysgrifennydd y Cabinet dros Addysg
Cabinet Secretary for Education

Eluned Morgan AC/AM
Gweinidog y Gymraeg a Dysgu Gydol Oes
Minister for Welsh Language and Lifelong Learning



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref MA-P/KW/3043/18

Lynne Neagle AM
Chair
Children, Young People and Education Committee

6 September 2018

Dear Lynne

Thank you for the invitation to attend Committee as part of its inquiry into “the Welsh Government’s approach to preparing for Brexit in relation to the Higher and Further Education sector in Wales”. This letter is in response to your request for information in advance of the 20th September session. Enclosed is an overview of Welsh Government policy in relation to European transition and Higher & Further education in Wales.

We look forward to discussing this topic in more detail with the Committee on 20th September.

Yours sincerely

A handwritten signature in blue ink, reading "Kirsty Williams". The signature is written in a cursive style.

Kirsty Williams AC/AM
Ysgrifennydd y Cabinet dros Addysg
Cabinet Secretary for Education

A handwritten signature in blue ink, reading "Eluned Morgan". The signature is written in a cursive style.

Eluned Morgan AC/AM
Gweinidog y Gymraeg a Dysgu Gydol Oes
Minister for Welsh Language and Lifelong Learning

WELSH GOVERNMENT EVIDENCE PAPER – CHILDREN, YOUNG PEOPLE AND EDUCATION COMMITTEE INQUIRY INTO THE IMPACT OF BREXIT ON HIGHER AND FURTHER EDUCATION IN WALES.

Higher and Further Education in Wales

The higher and further education sectors make a significant contribution to the economy, social justice, public services and culture in Wales and to Welsh Government objectives via the provision of high quality education, training, research, innovation and engagement. The two sectors have a turnover of £1.5bn for HE¹ and £0.5bn for FE and employ around 29,000 FTE staff (21,000 HE² and 8,000 FE). In terms of outcomes over 40,000 students graduate from HE each year, and in FE 194,000 learning activities were completed by 111,000 learners (academic year 2016/17).

Higher education is a globally competitive sector. To avoid undermining our institutions' ability to compete on the world stage, it is vital that universities in Wales continue to be able to recruit international talent from the EU and elsewhere, participate in international research collaborations and networks, offer qualifications that are internationally recognised and attract students from the EU and around the globe.

Whilst Further Education tends to operate in a more local market, it is important that learners are able to access a broad range of academic and vocational training options. Further Education, whether delivered in schools or colleges is key to the future success of the nation. It enables progression onto higher level learning (often in partnership with universities); it supports the foundational economy; it enables adults to improve their literacy and numeracy skills; it assists community inclusion through the provision of English for Speakers of Other Languages; it helps employers to up-skill their workforce and enables the delivery of important social and public services. Provision tends to be aligned with the economic area within which each college operates and in-work learning is supported through our flagship apprenticeship programme, which is partly funded by the European Social Fund.

The UK's membership of the European Union is associated with a number of benefits for higher and further education. These include:

- access to and support for international research collaborations;
- access to and support for international mobility arrangements for students and staff;
- freedom of movement arrangements which help to facilitate recruitment of international expert staff from within the EU;
- attracting students by offering professional qualifications that are mutually recognised across the European Economic Area (EEA), and providing a pool of talent for the UK's economy; and
- Structural Funds investment in infrastructure and capacity building, and to address skills needs.

¹ <https://stats.wales.gov.wales/Catalogue/Education-and-Skills/Post-16-Education-and-Training/Higher-Education/Staff-and-Finance/financeofheis-by-category-year>

² <https://stats.wales.gov.wales/Catalogue/Education-and-Skills/Post-16-Education-and-Training/Higher-Education/Staff-and-Finance/staffatwelshheis-by-gender-institution-year-modeofemployment>

The Welsh Government's Approach To Brexit

Following the June 2016 referendum, the Welsh Government quickly identified that the UK's exit from the European Union would have significant implications for the higher education sector in particular, and the following steps were taken:

- on 5th July 2016, as Cabinet Secretary I made a statement making it clear that international students and staff from across the European Union are welcome at Welsh Universities;
- in September 2016, as Cabinet Secretary I established the Higher Education Brexit Working Group to “*coordinate intelligence and provide advice to government on the short to long-term impact on Welsh universities of the UK's decision to leave the European Union*”;
- in November 2016 the First Minister made a speech at Bangor University entitled “Our Universities: Wales Bridge to the World” highlighting the importance of international students, international research collaborations, Structural Funds and the benefits of Erasmus+ and setting out the Welsh Government's priorities for Brexit in relation to higher education;
- in January 2017, the Welsh Government published its Brexit White Paper “*Securing Wales' Future*” which included an examination of the implications of EU Exit for higher education and set out our main demands of the UK Government in its approach to Brexit (see below) as outlined in the First Minister's speech;
- Following the Hazelkorn Review, Professor Graeme Reid of University College London was commissioned to undertake a review of government funding of research and innovation in Wales. The report looks at how Wales' research and innovation competitiveness could be sustained, post Brexit, by securing greater funding from the new UK research funding bodies;
- On 8th January 2018 the First Minister announced that a European Transition Fund would be developed to support work to help Welsh businesses and public services to plan and prepare for Brexit;
- I have provided additional £6.241m funding to HEFCW to enable the Council to deal with any short-term implications arising from demographic changes and the initial implications of EU transition; and
- On 12th July 2018 as Cabinet Secretary I was pleased to announce £3.5m funding over three years for the Global Wales initiative in order to support a significant increase in the scope and scale of the programme to deliver the Study in Wales brand globally, develop existing activity in the US and Vietnam, and to expand to other markets.

Throughout the period since the referendum, my officials have met regularly with stakeholders via the HE Brexit Working Group to ensure their concerns are heard, and have continued to seek to work closely with their counterparts in Whitehall to press the case for the Welsh Government's priorities as set out in the White Paper, *Securing Wales' Future*.

Securing Wales' Future set out the Welsh Government's demands of the UK Government specific to the implications of Brexit for higher education, as follows:

- Maintenance of engagement in Horizon 2020 and other EU led research schemes;
- Reciprocal arrangements regarding student tuition fees so that Welsh students studying in the EU pay local student fee levels and EU students studying in Wales are treated as UK students for the purpose of fees and the costs of study;
- Continued participation in the Erasmus+ scheme of staff and student exchange;
- Guarantees regarding the visa and citizenship status of EU nationals working in UK universities;

- Not counting students in national migration statistics;
- Participation by Welsh universities in the post-study work visa scheme currently being piloted in four English universities; and
- Active promotion of greater outward mobility by students and staff studying and working in Welsh universities.

The White Paper also made clear that the baseline of the Block Grant payment for Wales must be readjusted, at the point of exit from the EU, to take into account funding which Wales would have otherwise reasonably expected from EU sources. The White Paper highlighted the contribution which European Structural and Investment Funds make to boosting research and innovation, and increasing skills and emphasised that regional economic development is a devolved area of policy, firmly rejecting any attempt by the UK Government to infringe this area of devolved competence. On workforce and skills, the White Paper recognised that many sectors of the Welsh economy are dependent on the skills of migrants from the EU.

Following publication of “*Securing Wales’ Future*”, the Welsh Government has continued to make clear its position on its priorities for safeguarding Wales’ position as the UK Government takes forward work on the UK’s exit from the EU and has issued a series of policy documents addressing the future UK position in relation to strategic and cross-cutting issues relevant to Brexit including:

- Brexit and Devolution – June 2017
- Brexit and Fair Movement of People - September 2017
- Regional Investment in Wales after Brexit - December 2017
- Trade Policy: The Issues for Wales - February 2018
- Reforming UK Funding and Fiscal Arrangements after Brexit – July 2018

Fair Movement of People highlighted the Welsh Government’s priorities for higher education and international students in relation to UK migration policy and also analysed the potential workforce and skills impact of Brexit.

Regional Investment in Wales after Brexit discussed EU programmes’ financial support for international research and mobility and reiterated the wish to participate in Horizon 2020 and Erasmus+ successor programmes after Brexit. It also highlighted the importance of Structural Funds in helping to level the playing field within the UK and address the disproportionate flow of competitive UK-based research funds to institutions in the south of England, by investing in building the capacity needed to support universities applying for competitive research funds.

Reforming UK Funding and Fiscal Arrangements after Brexit again makes clear that EU funding that is currently spent in Wales must be repatriated to the Welsh Government without any claw back or top slicing by the UK Government and that higher education in Wales also needs to continue to access wider EU sources of funding and opportunities provided by current EU schemes. The paper also recognises that there are some important areas of inter-dependence between devolved and non-devolved matters, and on these the Welsh Government is ready to work together with the UK Government and other devolved administrations in a spirit of open co-operation for shared beneficial outcomes. In relation to higher education, the paper highlights that we need institutions across the UK to work together to maximise the opportunities for joint research and innovation and joint promotion of Wales and the UK as a great place to study and research.

The UK Government's Action on the Welsh Government's Brexit Priorities

The UK Government has made a number of announcements of relevance to the Welsh Government's priorities on Brexit and higher education and skills, and in most instances we have seen movement towards the Welsh Government's position.

I am pleased to say that the Home Office, following my request as Cabinet Secretary, confirmed on 18th December 2017 that the post-study work visa scheme pilot would be extended to two universities in Wales – Cardiff University and University of Wales Trinity St David (Swansea campus). We would like to see this extended to all Welsh institutions.

The draft UK-EU Withdrawal Agreement means that EU citizens employed in the HE and FE sectors in Wales before “the specified date” will – like other EU citizens resident in Wales - be able to apply for Settled Status, together with their families, under the scheme published by the Home Office in June 2018. The scheme is linked to the successful conclusion of the negotiations about the Withdrawal Agreement. We will continue to press for the rights of EU citizens who live in Wales to be protected.

EU student finance arrangements have been confirmed through to the 2019/20 academic year whether or not the Withdrawal Agreement is concluded. The position on the 2020/21 academic year needs to be confirmed as soon as possible to provide certainty for both students and institutions and, at the latest, by the summer of 2019 if any changes are to be made. Both HEIs and the NUS have expressed concerns about past UK Government delays in announcing decisions on EU student finance. As Cabinet Secretary I share their concerns and I urge the UK Government to progress quickly with planning for 2020/21 and to fully share its thinking with us.

Post-Brexit arrangements on tuition fees and finance after the end of any transition period for those EU students coming to Wales after “the specified date” will depend on the nature of the Future Economic Relationship with the EU negotiated by the UK Government. The Home Office has commissioned the Migration Advisory Committee to review the impact of international students on the UK and report by September 2018. In the meantime the Government has stated that it has no plans to remove international students from the net migration target and also that it has “no plans to limit any institution's ability to recruit international students”.

Under the EU-UK Withdrawal Agreement, organisations in Wales will be able to continue to participate in Structural Funds programmes, Horizon 2020, and Erasmus+ as they do now until the end of the current programmes in December 2020. In the event of a “no deal” scenario, the UK Government's underwrite guarantee would apply for any projects approved before December 2020.

Any participation in the Horizon Europe and Erasmus schemes from January 2021 will depend on the Future Economic Relationship with the EU, and the UK Government securing Third Country participation in these programmes on behalf of the UK. In its July 2018 White Paper the UK Government stated that it “is open to exploring participation in the [Erasmus] successor scheme” and it “wishes to explore association in research and innovation programmes, including Horizon Europe”.

We welcome the UK Government's expressed interest in future participation in both Horizon Europe and Erasmus and seek full involvement for the Devolved Administrations in these considerations. We also welcome the shared ambition of the UK Government and the EU for a future agreement for the Mutual Recognition of Professional Qualifications, which would add to the FE and HE sector's ability to attract international students.

Welsh Government Policy on Higher and Further Education

We want to create a prosperous and fair society where businesses and public services are constantly looking to create new products, services and ways of helping people to get what they need and want. The engine of this economic growth and social progress is research, innovation and the development of the right skills for a changing world. Our universities and colleges are essential drivers for this prosperity and growth. It is also vital that the HE and FE sectors can, and do, make a substantial contribution to the capability and resilience of our country to deal with the challenges facing Wales as a result of demographic, technological and environmental changes and the UK Government's austerity policies. It is clear that Brexit will add to the challenges facing Wales and will also affect the ability of the HE and FE sectors to respond to them.

My priority as Cabinet Secretary for Education is to ensure that:

- Our reforms to student and HE finance' are ensuring that Wales is leading the way in providing a fair system of support for students, whatever their preferred mode of study, alongside a sustainable system of funding for higher education. In a time of profound economic upheaval and flat-line productivity growth, we cannot afford to place unnecessary obstacles in the way of those who want to improve or refresh their skills but are unable to study full-time.
- Establishing a new Commission to oversee the post-compulsory education and training (PCET) sector remains a Government priority. To support the objectives of *Prosperity for All* and the *Economic Action Plan* the post-compulsory education and training system in Wales needs to become more joined up and focused on the local and regional needs of learners and businesses. The Commission will have the potential to drive new and innovative ways of working, bringing education and training providers closer together supported by more robust strategic planning and funding mechanisms, stronger performance and accountability systems, and quality enhancement arrangements which will enable Wales to benchmark and learn from the very best worldwide.

The Minister for Welsh Language and Lifelong Learning's priorities include:

- Delivering the Employability Plan. This partially EU funded cross government plan outlines ambitious targets for employment and skill levels making the links with policy areas which impact on employment opportunities such as health, housing, transport and care. The plan has four themes: providing an individualised approach to employability support; underlining the responsibility of employers to up-skill their workers and provide fair work; responding to current and projected skills gaps; and preparing for a radical shift in the world of work.
- Meeting our commitment to deliver 100,000 quality all-age apprenticeships aligned to the needs of the economy. Provision will focus on national and foundational sectors and will prioritise training of young people and those new to their job role. There will be an increasing focus on higher-level apprenticeships, including degree apprenticeships in particular in science, technology, engineering and mathematical occupations. For provision at lower levels I expect apprentices to have the opportunity to progress to higher levels and to better higher paid jobs. We will maintain the commitment to skills provision through the medium of Welsh in support of the target of one million Welsh speakers by 2050. Elements of this programme are

EU funded (and thus EU funding contributes to reaching the apprenticeship target) and the FE and HE sector deliver significant learning opportunities.

- Supporting the FE sector to maintain the range of learning opportunities currently funded by the EU. ColegauCymru report that their sector has been involved in the deliver of projects with a value of nearly £600m over the past 10 years - made up of EU funds and matched funding from public and private sources³. Activity has included: delivery of subsidised employer training to support jobs and growth; helping young people at risk of not being in employment, education or training; offering rural skills training; and giving learners the opportunity to gain work experience or learn abroad. The sector has reported that these projects have helped 81,000 people into work and supported 282,000 people to gain qualifications and has thus made a significant contribution to the delivery of post 16 education and training. EU structural funds have also supported infrastructure investment.

The Welsh Government will continue to press the UK Government to work closely with the Devolved Administrations as it develops the detail of its proposed approach to the UK's exit from the European Union.

³ Involvement of Welsh Further Education colleges and institutions in EU funding - ColegauCymru (November 2017) - <http://www.collegeswales.ac.uk/documents/Resources/453/en-gb/involvement%20of%20welsh%20fe%20colleges%20and%20institutions%20in%20eu%20funding-january%202017.pdf>