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Llywodraeth Cymru
Welsh Government

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Lynne Neagle AM
Chair
Children, Young People and Education Committee

15 March 2019

Dear Lynne

Thank you for your letter of 26 February seeking further clarification of the Welsh Government responses to the Committee's Degrees of Separation report on the impact of Brexit on higher and further education. This letter is in response to that request and provides further information in advance of the 20 March session.

I look forward to the debate on 20 March.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kirsty Williams', written over a light grey rectangular background.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Recommendation 1. *The Welsh Government should proactively demand, via any future UK Immigration Bill, executive powers for Welsh Ministers that allow them to make spatially different immigration rules specifically for students and academic staff in Wales. Michelle Brown AM does not agree with this recommendation.*

The Welsh Government makes it clear that it will engage with the UK Government's consultation on its future immigration white paper. Can the Welsh Government please clarify:

- exactly what it will ask of the UK Government in relation to staff and student immigration to meet the outcomes outlined in its response; and
- whether or not one of its demands from UK Government during the consultation will be for differential immigration rules for staff and students in Wales, as per the Committee's recommendation.

Recommendation 1 response:

This is an example of changes being considered by the UK Government in a non-devolved area of policy (immigration), which will have significant impacts on a devolved area of policy (higher education). In the Welsh Government's paper 'Brexit and Devolution', we call for a new approach to competence that recognises the reality of inter-connected responsibilities, like these, ensuring that the UK and Welsh Government's powers are exercised in the interests of better governance and delivery for citizens – this interplay between immigration policy and HE policy is a clear example of where this new approach should be put in place.

The Welsh Government has been proactive in seeking to contribute and shape the development of migration policy in the UK emphasising the importance and benefits of migration to Wales. We oppose the UK Government's aim of reducing migration numbers to an arbitrary target. The First Minister stated, in Brexit and Fair Movement of People, that our primary aim is to achieve a migration system which works for the whole of the United Kingdom, both in terms of negotiating a beneficial future relationship with the EU 27 and in terms of meeting Wales' skills needs. However, if the UK Government persists in a policy which we believe to be damaging to our interests, we would welcome a spatially-differentiated approach, where the Welsh Government would have a stronger role in determining how future migration to Wales would be managed. This would ensure that Wales' key sectors, public services and universities can continue to recruit from Europe. Any such approach must be based on fairness, proper enforcement of rules and proportionate administration.

The Home Office has proposed a 12 month engagement programme with devolved administrations, including the Welsh Government. Starting in March, the proposal is to run roundtable sessions every month over the course of 2019 on a different aspect of the White Paper. The Welsh Government will table a session on the HE sector in Wales where we will continue to state that the Welsh Government:

- believes continued free mobility across Europe is in the best interests of Wales and the UK as a whole;
- considers any restrictions on our HEIs to effectively deliver their services is a restriction to trade;
- does not believe students should be counted in net migration targets – students come to the UK to study and the majority returns home after their course is complete and an arbitrary three year limit would cause unnecessary difficulties for students on four year or part time courses;

- does not wish to see additional immigration restrictions for EEA/Swiss students or staff, in the way that is currently in place for third country nationals through the Tier 4 visa system;
- does not want to see any restriction on the numbers of students able to come to study in Wales; and
- it is important that UK Government policy and messages do not significantly undermine the ability of universities to attract international staff and students, and that there is a level playing field across the UK.

Our priority is to seek to ensure that the UK's immigration rules in relation to students and workers meets the needs of the whole of the UK and we will work with the other Devolved Administrations and the UK Government to seek to secure this objective.

Recommendation 4. *The Welsh Government must ensure that the Study in Wales website and marketing material, which is part of the Global Wales programme, is urgently updated and refreshed, not least to include information on the 2019/20 EU student funding guarantee.*

The Committee welcomes the Welsh Government's acceptance of this recommendation. However, the Committee understands that the Study in Wales website is in the ownership of Universities Wales, which suggests that the Welsh Government would not have authority to undertake the actions it has set out in the response without working closely with Universities Wales. The Committee will be grateful for some clarification on this point.

Recommendation 4 response:

It is indeed correct that the Study in Wales website and marketing material are not in the ownership of Welsh Government. However, a Global Wales marketing sub-group has been set up by Universities Wales, working with the Welsh Government and the Global Wales partners, to review the Study in Wales brand, website and future marketing content and materials. The sub-group will consider closer alignment of the Study in Wales brand with the 'Cymru Wales' nation brand, and the opportunity to adopt a more unified approach to promoting Wales to the world. The opportunity for the Study in Wales website to align more closely with or to be fully integrated within the Wales Digital Gateway project to provide a coordinated approach to promoting Wales internationally, which is a platform owned and managed by the Welsh Government, is one of a number of options are being considered. The final decision will lie with the Global Wales Board.

Recommendation 6. *The Welsh Government, as part of its response to this report, should provide information regarding the expected impact of the Global Wales II programme, including the expected student numbers and other quantifiable benefits.*

The Committee was disappointed that the response did not include the detailed and quantitative information specifically set out in the recommendation particularly since the Welsh Government states it has accepted this recommendation. This information would allow the Committee to properly scrutinise a £3.5 million Welsh Government Brexit intervention. In line with the original recommendation, can Welsh Government please set out:

- the original business case or bid documentation for Global Wales II;
- any agreed final quantitative targets for scholarships / international mobilities and expected international student numbers;
- all of the programme deliverables where these are not included in the above; and

- details of any funding gateways / triggers for releasing further funding where these are not included in the above.

Recommendation 6 response:

I attach details of the Global Wales business proposal at Annex 1 to this document.

The funding arrangements are being managed by HEFCW, on behalf of Welsh Government. This includes payments being made quarterly in arrears on receipt of interim narrative updates on progress made towards the deliverables agreed and on project activity. Global Wales II must also provide an Annual Project Report during each year of the programme.

The Global Wales II proposal did not include any specific targets around expected international student numbers, not least with the uncertainty that Brexit may have on these. It is also the case that it would be difficult to attribute any increase, specifically to this intervention as a number of other factors could be at play. However, an evaluation of Global Wales II is being commissioned and part of that will include key impact measures including student numbers, both inward and outward and other impacts such as research relationships and digital engagements achieved as a result of this funding.

There has already been progress with the Global Wales II programme in the months since the funding was announced: I signed a Memorandum of Understanding (MoU) on behalf of the Welsh Government with the Minister of Education and Training, Vietnam on his visit to Wales in January. This includes a target of 20 fully funded Chevening-Universities Wales scholarships to study in Wales during 2020-22. Officials are in discussion with Global Wales to develop an Action Plan to underpin the MoU which will include more details on the deliverables for subsequent agreement with Vietnamese colleagues with a view to signing later this year. The Global Wales II proposal also includes targets to develop such scholarships in Europe and the US. It is anticipated that these will be similar in terms of numbers.

Global Wales II has also agreed to fund an outward student mobility pilot programme to Vietnam and the US, which is being delivered by the British Council. This will fund 100-140 outward student mobilities as part of that pilot. This will complement the work of the Welsh Government's international mobility pilot, which has a broader geographical reach, giving a total of 550-690 mobility opportunities in 2019/20 – 2020/21.

Recommendation 7. The Welsh Government must work with the higher and further education sectors to put in place and test funding arrangements that will guarantee no financial disruption or uncertainty for ERASMUS+ students, particularly those on modern language degrees, taking into account the conditions attached to the current Treasury guarantee. The Welsh Government must report back to this Committee when it has done so.

The Committee was disappointed that the Welsh Government's response offers no assurances to students expecting, or required to undertake an international mobility in 2019/20. The Committee's recommendation was intended to gain assurances on avoiding short-term disruption to students, not the longer term replacement of the programme which the Welsh Government's response focuses on.

Can the Welsh Government provide details on how it is planning to avoid short-term disruption to 2019/20 mobility students in the event of a no-deal (taking into account the conditions attached to HMTs guarantee) and if it has tested these arrangements.

Recommendation 7 response:

On 12th February the House of Lords European Union Committee published its [report into Brexit and Erasmus / Horizon](#).

The committee recommended that:

90. We note the European Commission's current unwillingness to engage in discussions on possible actions to protect people on Erasmus+ exchanges and Horizon 2020 projects in the event of a 'no deal' Brexit, but urge the Government to continue its efforts to reach a resolution with the Commission to avoid disruption. We remain extremely concerned about the lack of time available to negotiate and confirm these 'no deal' contingency plans. If a resolution cannot be agreed, the Government should use funds set aside for the underwrite guarantee to establish replacement UK mobility and research funding schemes as quickly as possible.

91. The Government should, as a matter of urgency, provide further information on how it intends the underwrite guarantee to operate in practice, including who will disburse the funding and what terms and conditions will apply to beneficiaries. We recommend that schedules for releasing payments and monitoring and reporting systems should be as similar to those set out in the original grant agreements as possible, to provide certainty and minimise disruption for UK participants transitioning to the new system.

The Welsh Government agrees with the recommendation highlighted above. The UK's contribution to the EU's budget – and therefore the funding necessary to cover the costs of any replacement arrangements – is held by HM Treasury and not held by the Devolved Administrations. The Welsh Government has made clear from the first that Wales must not lose out as a result of Brexit. Our preferred position is for continued participation in Erasmus. However, should the UK Government fail to secure that then it must ensure that there is no disruption for students and enable alternative arrangements to be put in place. The Welsh Government has raised this issue of the funding and delivery of replacement arrangements with the UK Government at official and at Ministerial level and is awaiting a response as to the UK Government's position on the House of Lords committee's recommendation.

I will continue to raise this issue, along with my Scottish counterpart, Richard Lochhead MSP, Minister for Further Education, Higher Education and Science and representatives from the Northern Ireland executive at our monthly quadrilateral meetings.

Recommendation 8. *The Welsh Government must commission a further research project, building on the recent work which informed the international mobility pilot, to develop a more detailed picture of the impact of international mobility on the outcomes of students from under-represented groups in Wales, and report back to the Committee within 6 months.*

The Committee welcomes the positive steps the Welsh Government has already taken in relation to international mobility. However it is unclear from the response as to whether or not Welsh Government has agreed to undertake and publish the study. Can the Welsh Government:

- confirm that it will commission this study in-line with the recommendation; and
- that the study will specifically address under-represented groups in higher education.

Recommendation 8 response:

A commitment has been made to evaluate the overseas mobility pilot in order to assess its effectiveness. Whilst data will be collected during the course of the pilot, the final evaluation report will not be provided to the Welsh Government until the pilot activity has concluded in the summer of 2021. This will allow us to understand the impact of this project on students from under-represented groups, amongst others. There may be opportunities to undertake additional work around the impact of short-term international mobility on social mobility and widening access alongside the pilot evaluation. It is not considered necessary or particularly beneficial, therefore, to commission another study at this stage.

Evidence that could inform this recommendation may also be collected as we move forward with the plans to evaluate the Diamond Review reforms to student support.

Recommendation 11. The Welsh Government must commit to working jointly with the further education sector to jointly develop and publish a plan, funded by a EU Transition Fund bid and taking account of the differing regional needs, to identify and respond to any changing skills demands in those sectors most likely to experience Brexit related disruption.

The Committee welcomes the Welsh Government's acceptance of this recommendation, and welcomes the details set out regarding the work undertaken with / by the Regional Skills Partnerships. However, it does not appear from the response that a joint-plan of the nature the Committee recommends will be drafted. Can the Welsh Government:

- clarify if such a joint-plan is to be developed; and
- provide details of the projects mentioned in the response.

Recommendation 11 response:

As I stated in my previous response, the Welsh Government is working with our strategic partners to align regional skills provision to investment and growth opportunities as part of a move to implement a new strategic approach to post-16 planning and funding. This strategic planning requires FE colleges to prepare plans based on regional skills needs as informed by the work of the Regional Skills Partnership (RSPs). The plans inform a broad range of skills policy areas, as well as set regional and local priority areas for programmes such as the Sector Priorities Programme and the new employability programme. They also provide the employability and skills evidence base for City Region and Growth Deals. Welsh Government officials, led by the Minister for Economy and Transport, have aligned the development of Annual regional plans to the Post 16 Planning Cycle. This is to ensure that provision offered by FEIs is informed by the evidence base provided by RSPs for the following academic year.

The Welsh Government is working with our partners to ensure the current plans being developed focus on the changing needs of Wales as a result of Brexit related disruptions. We believe the existing framework for the development of post-16 planning will deliver the same outcomes as the joint-plan proposed by the Committee, but within the existing frameworks, thereby reducing the need for additional burdens on our partners. Therefore, on reflection, we accept this recommendation in principle.

The existing skills system is designed to respond to the needs of Wales and to identify areas of development which will increase the resilience of the Welsh economy in the long

term. This is informed by regional needs identified through partnership with employers, regional skills partnerships, FE colleges and training providers.

In relation to Brexit planning, my officials have met with the FE Principals and Colegau Cymru and FE representatives and National Training Federation of Wales are members of the Higher and Further Education Brexit Working Group, which met on 19 February to discuss no deal planning. We will continue to engage with our strategic partners to respond to the needs of Wales in a post Brexit world.

You asked for further details on the proposals being developed for a series of skills projects to help build Wales' resilience in the event of a no-deal Brexit. These proposals are being developed in relation to three key themes:

- supporting people into /back into employment;
- supporting apprentices; and
- tackling underemployment, supporting businesses to develop new skills and encouraging business investment into and within Wales.

Recommendation 12. *The Welsh Government must recognise the fundamental importance of research and innovation to the prosperity of Wales and recognise the danger inherent in falling behind England and Scotland in funding these activities in what is an extremely competitive setting. The Welsh Government must therefore begin to immediately fund the recommendations made by Professor Reid in his review.*

The Committee is concerned that the Welsh Government only accepted this recommendation in part, and that it continues to not provide the necessary funding to implement all the recommendations made by Professor Graeme Reid.

The Committee notes that Professor Reid's recommendations were made in response to the potentially transformational opportunities offered by the increased UK Government investment in research and innovation, and by the likely loss of European funding which Welsh universities have been reliant upon. The Committee believes the recommendations offer a means of realising very significant opportunities for the whole of Wales post-Brexit.

The Committee understands that, in the short-term, HEFCW intends to work with Welsh Government to establish the different funds recommended by Professor Reid. Can the Welsh Government confirm what support it will provide to HEFCW to enable it to achieve this in the short-term.

Recommendation 12 response:

The Welsh Government Office for Science (WGOS) has just put an official in post in London and is in the process of recruiting another person, both to be based at the existing London Office, part of which is being refreshed, to help promote messages around research, innovation and skills. They will aim to enhance our bilateral engagement and relationship with appropriate UK Government Departments and Agencies. Alongside this the Chief Scientific Adviser for Wales, his WGOS team and other key Welsh Government policy officials have been proactively using the London office to host meetings with BEIS and UKRI, among others, to build a stronger relationship overall. They plan for this to continue.

Professor Reid's second recommendation is an endorsement of the Diamond recommendations, which are being taken forward. HEFCW have just received an updated remit letter for 2018/19, which includes the following: 'In addition a further £6.6m (£4.2m revenue funding and £2.4m capital funding) has been allocated to support higher education

research in Wales in line with an approach that is consistent with recommendation 2 of the Reid Review.'

In the future we are planning to make available funding to enable a programme akin to the HEIF (Higher Education Innovation Fund) to be established and reinstatement of Quality Research(QR) funding to its previous level, collectively.

On Recommendation 3 we are looking at an overarching brand to coordinate funding; we are considering how best to approach this, with coordination of existing advice and funding being the most important step. We have already set up an internal group involving officials from all the main areas funding or supporting research and innovation activity, to make doubly sure that Welsh Government efforts remain coordinated and plan further coordination activity.