



Select Committee on the European Union

Sub-Committee on EU Services

Corrected oral evidence: The future UK-EU relationship in research and education

Thursday 12 November 2020

10 am

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Members present: Baroness Donaghy (The Chair); Lord Bruce of Bennachie; Lord Cavendish of Furness; Baroness Couttie; Lord McNally; Baroness Prashar; Lord Sharkey; Lord Thomas of Cwmgiedd; Viscount Trenchard; Lord Vaux of Harrowden.

Evidence Session No. 3

Virtual Proceeding

Questions 29 - 41

Witnesses

I: Maddalaine Ansell, Director, Education, British Council; Kate Ewart-Biggs, Director, Global Network, British Council; Professor Tim Wheeler, Director for International, UK Research and Innovation.

Examination of witnesses

Maddalaine Ansell, Kate Ewart-Biggs and Professor Tim Wheeler.

Q29 The Chair: Good morning. Welcome to the EU Services Sub-Committee's third public evidence session, as part of its ongoing inquiry on the future UK-EU relationship in research and education. The session is being broadcast on parliamentlive.tv. A full transcript is being taken and will be made available to you shortly after the session to make any corrections.

I am pleased to welcome our three witnesses. Kate Ewart-Biggs is global network director and Maddalaine Ansell is education director at the British Council. Professor Tim Wheeler is international director at UK Research and Innovation. You are very welcome.

How important is the research and education sector to the UK economy? How significant is EU funding for the UK's research and education sector? Does it differ between subjects and in different areas of the UK?

Maddalaine Ansell: Good morning. I might leave some of the detail about the benefit of the research landscape between subjects to Professor Tim Wheeler. I think he is more knowledgeable about it.

It is clear that the research base is incredibly important to the UK. You will have heard from other witnesses about the economic benefits that it brings, and about the way it attracts foreign direct investment and global talent. Speaking from the British Council, which is a cultural relations organisation, I am particularly concerned with ensuring that the UK remains attractive internationally.

Our research shows that having world-leading universities and academic research at the cutting edge of technology and having an education system that fosters creativity and innovation are the most important drivers of overall attractiveness for any country. They are things on which the UK, at the moment, scores very highly. That is of course because over 50% of our research is done in collaboration with international partners. We know that work carried out in collaboration tends to have more impact, is more highly cited and is generally judged to be of higher quality. For all those reasons, having a strong research base is absolutely crucial to the UK's success.

Professor Tim Wheeler: Good morning, and thank you for the opportunity to contribute. Like others, I support the view that the research sector is incredibly important to the UK economy. Some analysis that we did in UKRI recently found a benefit of £7 for every £1 of public spend, and a boost to GDP employment and productivity. The current Covid pandemic reminds us of how important research expertise and knowledge have been in playing a prominent role in our national response to the global crisis.

Traditionally, EU funding has been a significant part of public support for research in the UK. The Royal Society, in an analysis of a former EU framework research programme, estimated that it was about 9% of the

public funding of UK research and innovation. The UK has been extremely successful in the past in securing, through open competition, research funding from the European framework programme.

In the current Horizon 2020 programme, UK organisations as a whole—academics and businesses—secured about 12% of the total funding available, which is about £7 billion in total over the period of that programme. It was the second highest recipient behind Germany. I think we can be very proud of the way UK organisations have performed to date.

How does that funding distribute itself between subjects and different parts of the UK? As we would expect, success in securing European Union funding varies between disciplines and regions. It generally maps on to the research-intensive areas of the UK, with London, the south-east, the east of England and Scotland figuring prominently. Among the disciplines, natural sciences tend to come out on top. Perhaps afterwards we can share with the Committee some percentages and data on those distributions. There are specific disciplines in the UK that have been particularly successful, and hence particularly reliant on sources of funding from the EU; among them are astronomy, scientific archaeology and some areas of the humanities.

Kate Ewart-Biggs: How important is the research and education sector to the UK economy? I do not think we can overstate the importance of research and education to the health of the UK economy. They are critically important. Previous analysis from Oxford Economics has shown that the research and innovation sector accounts for about 2.5% of GDP, which was some £32 billion at the time of the study. The Department for Education valued education exports at around £20 billion, in a briefing published in 2019.

We should not forget the other important aspect of education and research, which is the development of the skills of the future generation of young people, who will be tackling the big issues that have arisen in the Covid pandemic, climate change and all the other important elements of the UK maintaining its relevance in research and education around the world. As others have said, that continues to be incredibly important.

How significant is EU funding for UK research? UKRI are the experts in research, and, as Tim said, the UK has long been the largest beneficiary of the research programme. That is an important factor to retain. We have received 14.3% of the total grant funding but contributed 12%. That is a testament to the excellence of UK research.

On student mobility, which I am sure we will get to, the British Council has been acting with Ecorys as the National Agency for Erasmus+. Since 2014, we have supported 208,000 people from the UK to undertake international mobility experiences and welcomed a further 365,000 people to the UK. Erasmus+ is an incredibly important part of the picture for the UK economy. It leads to better job prospects and to low unemployment for participants. It works very much at the employer

level. The skills employers are looking for in the future world—intercultural skills and the ability to get on with and understand other societies—are an immensely important part of Erasmus+, as we have seen over the years.

I will pause there. There are lots of other things to say, but those are some of the key areas for us at the British Council.

Q30 Baroness Prashar: Good morning, everyone. In your view, should the UK seek third-country affiliation with the EU's Horizon Europe and Erasmus+ programmes at the end of the transition period? What costs could such affiliation have for the UK? Is affiliation worth while, given those costs?

Professor Tim Wheeler: In addressing this question, I am assuming that third-country participation is association, which is the term, but please correct me if I am wrong.

Baroness Prashar: That is exactly correct.

Professor Tim Wheeler: I will restrict my answer to the research element of your question. The highest-order ambition of the UK Government was set out in the UK R&D road map that was published in July. It states that it is the UK's "ambition to fully associate"—to Horizon Europe—"if we can agree a fair and balanced deal", but that a decision will be made "once it is clear whether such terms can be reached". In a sense, there is a negotiation element to the answer to the question.

From the perspective of UKRI, it is incredibly important during this period of uncertainty that we maintain the continuity of opportunities for both funding and collaboration that the UK has historically participated in for many decades. To maintain continuity, we need to consider the pathway of association, and planning for that, and the pathway of non-association, and planning for that. I know that in further questions we will get into some of the details of the non-association pathway.

Whether the costs of association represent value for money is a topic that the ongoing negotiations are considering. In broad terms though, it is important that we recognise that in the past the UK has generally received more funding from the European framework programmes for research than it has contributed. The numbers are not precise, but in broad terms that has been the trend. The matter for negotiation is whether that difference, as we move to a world in Horizon Europe where perhaps the UK will be a net contributor rather than a net recipient, represents value for money in the view of the Government.

It is not only a simple comparison of contributions and receipts. There are many non-monetary benefits of association, as we have found from past framework programmes, such as joining networks, accessing talent, mobility of talent within the UK and our access to research infrastructures. However it resolves itself through the negotiations, the question of whether the cost is worth while has both a monetary and a non-monetary element.

Kate Ewart-Biggs: The UK has obviously benefited from both programmes to date. As I said, Erasmus has supported more than 200,000 people from the UK, delivering the intercultural skills that employers need and a wealth of social and cultural capital for the individuals involved. Horizon has supported much greater collaboration and research, and provided significant funding for UK-based research projects.

My colleague Maddalaine will give more detail on Erasmus. We have data showing that 75% of students who took part in Erasmus+ received a first or second-class degree compared with 60% of students who did not study or train abroad. We have data showing that students who did an Erasmus placement are 50% less likely to experience long-term unemployment. Participants in vocational education and training have a higher employment rate—81% versus 68%—three years after the end of their stay abroad. There is significant data to show that Erasmus+ has contributed to the prospects of young people in the UK and, therefore, to the economy.

We understand that both programmes are changing in scale and size. Obviously, the decision to participate in either programme as a third country is one for the UK Government to make, weighing up all the costs versus benefits that Tim outlined. The British Council is ready to participate and run aspects of either programme. We are completely committed to mobility opportunities for young people. We feel that we have the expertise to be able to run them well, and are ready, in whatever form the programmes take, to participate and support them.

Maddalaine Ansell: We recognise that international collaboration is fundamental to high-quality research and business innovation. The Horizon programme has provided a mechanism for that collaboration. It is not just the funding; as Tim said, the networks and the protocols make bilateral and multilateral collaboration easier than they are if you are doing it on a bilateral basis. The programme has also enabled easy global mobility of talent.

As Kate says, the Erasmus programme has huge benefits for individuals. They tend to do better academically. They tend to find it easier to find employment. They tend to progress in their careers at a greater rate. Those benefits are more marked for young people who come from disadvantaged backgrounds than for those who come from perhaps more middle-class backgrounds.

The Erasmus programme provides an established and recognised framework. It involves all the countries of the EU and offers opportunities to study beyond the EU. It is difficult to see how we can gain all those benefits without associating to the programmes. Having said that, the Government have to take into account the costs and the terms and conditions of association. Particularly in relation to Erasmus, those are not yet clear because the size of the programme is still being fixed at the EU end, and we do not know what the price tag will be for us. There is a question about the interrelationship between the two programmes, and

the benefits of joining both as opposed to just joining one or the other have to be taken into account. In the end, it has to be for the Government to weigh up those things and make the decision.

- Q31 **Baroness Couttie:** What should the priorities be for future domestic research funding in the UK if we do not affiliate with Horizon? Have you had any consultation with the Government on an alternative domestic research funding scheme?

Maddalaine Ansell: The priorities for future domestic research funding, at the big picture level, have to be to maintain our world-leading position as a science superpower, to use the phrase the current Government use. To do that, we broadly need three things. We need adequacy of funding. We need mechanisms for aligning systems, so that our researchers can collaborate efficiently and effectively with researchers overseas, and those need both to be bilateral and to support multilateral collaborations. We need to think about how we make it as easy as possible for global talent to move to the UK and from the UK to collaborate overseas. For science funding, those would be the priorities that I would explore.

Looking back to my experience some time ago, when I worked in a predecessor department to BEIS setting up the Newton Fund, there is a science diplomacy angle. As I said earlier, our excellence in science is one of the things for which we are noted and recognised. We should capitalise on that when seeking to build constructive relationships with countries that we see as becoming more important for us to have strong relationships in the world. The Newton Fund made a start with that. It works with 17 countries. It is all ODA funding. We might want to look at finding non-ODA funding in order to collaborate with countries that are perhaps not emerging science powers but are already leading science powers.

On Erasmus, it is extremely important for us to maintain opportunities for young people, both in higher education and in the TVET system, to study overseas. The opportunities need to be of two kinds. There need to be long-term placements that enable a young person to get fully immersed in a culture, understand it, and perhaps gain mastery of a language. There should also be opportunities for short-term placements that might be attractive to young people who may have financial constraints or caring responsibilities, or who need to work alongside study and cannot afford to take a long break, or who might find a shorter placement less intimidating if they have not already had lots of experience of studying overseas.

With Erasmus you can, of course, study in other countries beyond the EU. We could think of countries that are important to us, and where we would particularly want to have a cadre of people with a deep understanding of the culture that they can bring back for service to the UK, in diplomacy, trade or any other aspects of our common life.

Kate Ewart-Biggs: Maddalaine has said a lot of it. Another area of Erasmus+ to highlight is raising standards in education and training. It is

not just young people themselves who benefit, but higher education staff, youth workers, school staff and vocational education staff. The great importance is facilitating exchange and good practice in teaching methods. Many countries around the world look to the UK for excellence in pedagogical approaches that are more creative and bring a broader range of skills to young people than the more traditional methods in many countries. At the British Council, we talk a lot about the pedagogical exchange of experience.

Another important area is the Prime Minister's vision for green energy and UK climate change leadership. That is something that is very much noticed around the world and where we are looked to for expertise.

Maddalaine made a point about the range of countries around the world that can participate in these types of programmes. It is important that we tilt those to the interests of the UK, while, obviously, continuing bilateral relationships with EU countries, as well as countries further afield in which we are interested as regards a trade base, et cetera. The soft power aspects of such programmes definitely contribute to making the UK increasingly more attractive in the future through those types of collaboration.

Professor Tim Wheeler: What should the priorities be for domestic funding if the UK does not associate to Horizon Europe? In the short term, it comes back to maintaining the continuity of funding and opportunities which the UK research community has been able to access with considerable success in recent times; essentially, it is reproducing the benefits that can arise from participation in the European framework programmes. In the medium term, perhaps two years and beyond, there is an opportunity for the UK to evolve that support to take into account some of the directions the UK wants to pursue strategically through its global collaborations.

To come back to what it may look like in the short term, the Government state in the R&D road map that, if we do not formally associate as the UK to Horizon Europe, the UK will "implement ambitious alternatives as quickly as possible from January 2021". What might those look like? Initially, as it is quite a short timeframe, it would involve increasing and uplifting existing UK research schemes. It would involve what is termed third-country participation to Horizon Europe that allows UK organisations to participate in the collaborative parts of Horizon Europe.

The UK R&D road map announces that there will be a discovery fund, developed at pace, to replace some of the curiosity-driven research support which the European Research Council currently provides and is available to the UK through the Marie Skłodowska-Curie action programmes. A combination of third-country participation and bespoke UK domestic alternatives, through a discovery fund and uplifts to existing schemes, will in a sense capture some of the short-term benefits that the UK will lose through formal association to Horizon Europe.

Q32 **Lord Bruce of Bennachie:** I want to talk particularly about Erasmus+

and Horizon. You mentioned the benefits to students of degrees and employability. You have not mentioned the language benefit. The Government say that they are prepared to develop an alternative “for all eventualities”. What would be the priorities for that? Is there a risk that we will swing our orientation to the English-speaking world and further undermine our credibility as linguists? Have you been consulted? How can you replicate something that is EU-wide on a bilateral basis?

Kate Ewart-Biggs: The language thing is important, because part of Erasmus is encouraging young people to open their minds to operating in other languages, which leads to quite large numbers of them coming back and taking further language courses. Realising that you have to speak a language other than English to be successful in the world encourages more language learning. That is certainly something the British Council does a great deal, by working with schools on the Mandarin excellence programme and encouraging research into the numbers of students taking up languages in school.

There is competition in the rest of Europe and in other countries. In the Netherlands, they are likely to provide options for researchers who may be unable to contribute in the UK in the future. There is a great deal of international recruitment going on in the higher education sector for young people. My answer is, yes, we think it is incredibly important.

As I was saying earlier, we provide opportunity through Erasmus to a wider group of countries than just the EU. We have a number of programmes that enable young people to study and work in China, for example. That enables a real immersion in language learning, alongside opportunities for learning skills. We are proponents of that type of activity. Whether that will end up in a programme in the future, I do not know, but we would be very supportive of that.

Maddalaine will give a more detailed view on consultation. We have been consulted. We have been having lots of conversations with personnel in different departments, in BEIS, et cetera. Maddalaine leads on that for us at the British Council, so, yes, there is consultation. As I said at the beginning, we are ready and able to take on whatever kind of programme it is, and running it alongside the whole range of other activity that the British Council runs for young people around the world and in the UK to have experience of other countries. As I said, we have run programmes linking up with both India and China. China has been the biggest, and we have had great success with that programme.

Lord Bruce of Bennachie: I did not mention the fact that it is a two-way process. We have an awful lot of EU students coming here. What are the implications for that?

Maddalaine Ansell: I absolutely agree about languages. Erasmus+ is the mechanism by which the 50% of UK students who do an overseas placement do it. Around 30% of those students do it in order to support the learning of a language. Erasmus allows placements of a year. Any

new scheme would also have to allow longer placements for people to develop immersion in language and mastery of language.

Recently, I went to an event at which Bridget Kendall was a speaker. She did a placement as a student in Russia, and she talked about the way that influenced her future career. We need people to go overseas to countries that perhaps are not always easy for the UK, and have the understanding that can come only if you understand the language, because language reflects the way we think and engage with the world. Generally, the British Council is an advocate for the learning of modern foreign languages. We support an APPG to promote that and to look at the various barriers and topics around it. It is really important from that point of view.

The UK is relatively poor at student mobility compared with some of our competitor nations. In Germany, for example, it is far more normal for students to spend a period of time studying overseas than it is in the UK. Even the United States, which we sometimes think of as being as bad at language learning as we are, does better in that respect.

We need mobility programmes to support language learning. We want young people from different kinds of backgrounds, who might find studying overseas in an English-speaking country less intimidating, to get the benefits of experiencing other cultures, and some of the resilience and other skills that employers value from international placements. I would like to see a balance.

It is fantastic for us to have students coming here, and we should do all we can to continue to encourage EU students to come to the UK. An international student base makes our campuses vibrant and enables universities to keep open some strategically important subjects, which they could not do otherwise. There is, of course, a financial benefit, although not so much from EU students, until this point, because they pay domestic level fees. From the British Council cultural relations point of view, which Kate referred to earlier, we know that studying in a country hugely increases somebody's trust for that country and their likelihood of wanting to trade with us, to work with us, and to be an advocate for us and our education system and way of life as they continue through their lives.

Professor Tim Wheeler: I have only a brief comment on the question. Research and education are intrinsically linked. I defer to Kate and Maddalaine's expertise on the question of Erasmus+.

Q33 Lord Vaux of Harrowden: You have covered this a bit in a previous answer, but noting that the UK's future immigration system is outside the remit of this Committee, what impact do you think future engagement, or indeed lack of engagement, with the programmes will have on the mobility of researchers and students?

Maddalaine, you mentioned that 50% of the activity is through Erasmus. I would be interested to understand where the other 50% comes from.

On your comment that Germany and the US do better, why is that and how can we learn from it?

Maddalaine Ansell: The other 50% tends to be through schemes that universities organise themselves. They may be much shorter; for example, De Montfort University takes a whole cohort of students to the US, perhaps only for a week or two weeks. That is because of the particular make-up of its student body and what it sees as most helpful for them in gaining skills and widening their international outlook. A lot of mobility happens in that way.

The British Council supports mobility through language assistance programmes. I am sorry, I do not have the figures to hand, but a significant number of young people go overseas through those programmes in order to support the teaching of English in other countries and to learn foreign languages themselves.

You asked why the US and Germany are better. I do not actually know. I know that the report looked at it and found that they were better. I can only speculate that in Germany it is to do with its post-war history and its general desire for an international outlook. I do not know.

Lord Vaux of Harrowden: Professor Wheeler, do you have any comments on the mobility of researchers and students—researchers in particular?

Professor Tim Wheeler: The mobility of researchers is an incredibly important contributor to the quality of research and to the development of individuals as well-rounded, internationally collaborating researchers. The European funding programmes have strong elements, through, for example, the Marie Curie actions, to enable the mobility of researchers.

What does it mean for any domestic alternatives if we go down a non-association pathway? The domestic alternatives need to recreate the benefits that we currently achieve through Horizon Europe for the mobility of researchers. There are a number of ways in which there have been important developments recently. The establishment of the office for talent will take a new approach to attracting and retaining the most prominent global science talent.

The introduction of the global talent visa has addressed some of the issues of attracting researchers and specialists from all round the world, through a replacement to the tier one exceptional talent pathway. UKRI has played a strong role in developing the thinking behind both of those new initiatives. I am sure they will help the mobility of talent, predominantly to the UK, in a future non-association scenario.

Kate Ewart-Biggs: As we emerge from the effects of the pandemic, the international student picture could look quite different. The UK continues to be an incredibly attractive destination for international students. For example, earlier research that we did in China shows that Chinese students are still keen to come and study in the UK post-pandemic. Anything that the visa Immigration Rules can do to encourage that is

obviously welcomed by us. There have been positive moves in the last couple of years, as Tim was saying, so that has helped.

It is a competitive field. International student recruitment is part of the mobility agenda and the stream of young people into the research agenda. It is important that we remain competitive, because the US, Australia and Canada are becoming markets of great interest for students around the world. It is very important that we continue to look and feel as open as possible, particularly post the pandemic.

Q34 Lord McNally: The briefing document that Universities UK prepared as a guide for universities preparing for the end of the transition period said about data protection that, without an adequacy decision from the EU, personal dataflows between the EU and the UK will become restricted without sufficient safeguards—for example, standard contractual clauses and binding corporate rules. Will that be a big problem for UK research and education? Are you aware of universities and research institutes taking some of the precautions that Universities UK advises in case of no deal?

Professor Tim Wheeler: I fully recognise the scenario that UUK has set out. Research collaborations are heavily dependent on the free exchange of research data of many sorts. The EU's data adequacy assessment of the UK is still under way. The free flow of personal data from the EU to the UK will need to continue without further actions by organisations if a data adequacy assessment is agreed.

You mentioned standard contractual clauses. There are organisations putting in bespoke standard contractual clauses to try to mitigate the situation where an EU data adequacy assessment has not been agreed by the end of the transition period. To add one example, specifically in response to your question, the Medical Research Council at UKRI funds a clinical trials unit at UCL, and at this time we can all appreciate how important health and medical dataflows are. They are identifying projects within their portfolio where personal data has been transferred from EU countries and implementing the standard contractual clauses you mentioned.

Lord McNally: Kate, do you have any thoughts?

Kate Ewart-Biggs: It is not an area that the British Council can comment on in detail. The transferability of systems and processes and the inter-recognition of data aids collaboration and exchange, so it is incredibly important, but I am not the best person to comment in detail further than that.

Lord McNally: Maddalaine?

Maddalaine Ansell: I am afraid that I am even less well equipped to comment.

Lord McNally: That is fair enough. What is not clear from Professor Wheeler's reply is whether universities are preparing for the worst or just

hoping for the best. I think that is an answer we have had from Ministers as well as from universities. I am worried that we will suddenly find, if there is no agreement, that all the problems of data adequacy will suddenly hit us in the face and it will be a real problem. I note the replies that have been given.

Q35 Lord Thomas of Cwmgiedd: I have a slightly trickier set of questions for you about how international trade agreements can help in this area. I am not certain which of you would feel happiest—I hope some will—in saying to what extent the needs and requirements of the UK’s research and education sector can be met through a comprehensive free trade agreement with the EU.

Professor Tim Wheeler: I agree that it is a difficult area. Part of its elements stretch beyond the expertise that I can bring to this inquiry. The key decision for the research sector, none the less, will be whether or not the UK associates to Horizon Europe as part of the wider negotiation agreement.

There is precedent for such wider agreements to include participation in programmes such as the European framework programmes; it is also possible to have stand-alone association agreements to the framework programmes. What the UK does will clearly be a political decision, but the legal basis of Horizon Europe allows for a dedicated association agreement to be a stand-alone agreement between the EU and any non-EU country.

Lord Thomas of Cwmgiedd: Do you have a preference as to whether it is dealt with bilaterally, outside a free trade agreement, or within it?

Professor Tim Wheeler: I have no preference. I see those very much as matters for the UK negotiating team. The association element is the most substantive for the UK research community.

Lord Thomas of Cwmgiedd: I may come back to you with another question in a minute, but can I ask Kate Ewart-Biggs and Maddalaine Ansell whether they have anything to add?

Kate Ewart-Biggs: Research collaboration and student mobility have in the past required separate programmes, agreements and systems to be optimally effective. That is worth considering in order to ensure the best possible result on mobility and collaboration. That has to be very carefully thought about. It is an obvious point, but the sooner that can be done to limit the disruption for research students and institutions, the better. One of the risks is the disruption factor of not knowing. As Tim said, the detail rests with those designing the trade agreement, but they probably have to be separate agreements. Madeleine, is that not the case?

Maddalaine Ansell: Without being an expert on free trade agreements, the thought that occurs to me is that, although student mobility and research collaboration have an enormous trade impact, they have a lot of purposes beyond trade. I am thinking particularly about some of the global challenges—climate change, the pandemic and AI—which the UK is

well equipped to play a part in addressing. There is a range of major challenges where we want a system and mechanism that enables the UK to play the fullest possible part in contributing to solutions. I do not know whether free trade agreements are the right mechanism for that.

Lord Thomas of Cwmgiedd: Professor Wheeler, do you have any views on whether, looking beyond the EU position, these things are appropriate for inclusion in trade agreements with other states?

Professor Tim Wheeler: I return to my previous comment. There are examples where they have been incorporated in wider agreements between EU and non-EU nations, as well as examples of stand-alone agreements being reached on association, specifically the framework programmes.

To add one more element, a key source of uncertainty at the moment is the short period we have until the potential start of Horizon Europe. I know the community feels that as a major source of uncertainty in how it is planning ahead. The way it may link to your question is that it is important to know at what time the agreements will be resolved. If an association agreement was considered outside the free trade agreement, a reasonable question is whether there would be a further delay in reaching a position where we knew whether the UK was associated or non-associated to Horizon Europe.

Q36 **Lord Sharkey:** I declare an interest as a member of council at UCL and chair of the Association of Medical Research Charities.

What do you think the impact would be of a no-deal scenario on UK universities and research bodies in the short and longer term?

Professor Tim Wheeler: In a way, it links back to my previous response on the non-association pathway. What would be the impact? Stepping back a bit, applying for research funding and the formation of consortia are relatively long and steady activities. Consortia build over time. Since the referendum, the UK's participation in the remaining parts of Horizon 2020 has tended to decline over time, but very slowly.

The immediate impact will be a change in the continuity of opportunities for funding wide collaborations in the way the UK community has historically been used to. That will have impacts potentially on the UK community, which in a non-association pathway will need the stability that the UK Government have set out in their R&D road map, so it is about continuity of funding in that pathway. It will also influence those they seek to collaborate with in Europe; they need confidence that the UK will have those opportunities and continuity of opportunity in place from January.

It all speaks to the urgent need to develop, if we are to go down a non-association pathway, a domestic alternative suite of programmes: the third-country participation, the discovery fund, and the uplift to existing schemes in UKRI and with others that can provide immediate

continuity of funding opportunities for the sorts of funding collaborations that the UK community has been used to.

Kate Ewart-Biggs: The strength of UK education and research means that we will continue to be an attractive partner for international collaborators, because both are vital assets of our UK soft power and are likely to continue to remain strong. However, the risks are immediate disruption and, therefore, a longer-term loss of influence in shaping research and education programmes for the future. No agreement will probably mean losing about half of the UK HE student mobility achieved through Erasmus+. That would have obvious repercussions for the future of the kinds of skills we have been talking about in the UK economy, and would serve to reduce the number of future partnerships between UK and EU individuals that arise from mobility grant programmes and opportunities.

No agreement may damage perceptions of the willingness to come to the UK among EU students. There is the issue of the attractiveness of the UK education systems, in particular quality assurance and mutual recognition. If they are not resolved, that will be a key issue.

I will leave Maddalaine to talk about leaving Horizon Europe, but there are similar issues, as Tim highlighted. It is the disruption and uncertainty that we described earlier.

Maddalaine Ansell: I agree with Kate about the disruption and uncertainty; we are already in the middle of November, and December is coming up fast. As Tim said, some of the impact will depend on the degree to which domestic alternatives can mitigate it. At the moment, 50% of student mobility takes place through Erasmus+. If a good and effective domestic alternative at an appropriate scale is put in place quickly, although I am sure we will lose some of it, we will not lose all of it.

We ran a survey on EU student perceptions. Oddly, although it found that in some countries our leaving the EU had a negative impact on student perceptions, there were one or two countries, perhaps unsurprisingly Greece, where it was seen as potentially a positive thing. It is quite a mixed picture, but we have to bear in mind that this is happening at the same time as changes to the funding regime for EU students, and a pandemic.

We are seeing a drop in applications from EU students at the moment. I know from talking to counterparts in DAAD, the German academic exchange organisation, Nuffic, the Dutch one, and Campus France, the French one, that they are seeing increases in applications from EU students. At least at the moment, plenty of other countries are more than happy to pick up students who are more reluctant to come to the UK because of the various things that are going on.

Lord Sharkey: Do you think that UK universities, research institutes and all the PIs involved are ready for no deal in January?

Professor Tim Wheeler: This is a really challenging time for the research community, as you outlined. It is extremely difficult for organisations to prepare for all outcomes in an association pathway or a non-association pathway, given the major uncertainties we still have while negotiations are ongoing. UKRI has been playing its part as much it can. We have an office in Brussels, the UK Research Office, specifically to support UK organisations seeking to apply for the European framework programme. Our Brussels office has continued its online delivery of services to UK research organisations and subscribers to its information hub, with as much information as we can provide. The information it has put online has been accessed heavily, tens of thousands of times over reasonably short periods, but for everyone it is an enormous period of uncertainty.

Kate Ewart-Biggs: I agree with Tim. At the moment, the bandwidth of organisations across the sector is limited significantly by dealing with the pandemic alongside the preparations. The people who would have been preparing for the possibility of no deal have probably been put on to dealing with the pandemic. Institutions right across the sector have been severely affected by it.

We have been providing as much support as we can to institutions both in the UK and overseas, around the world, in continuing the push for recruitment into the higher education sector. We have been running a set of activities online for students and potential students coming to the UK. Education fairs have gone online in India and China very successfully. We are learning as we go along a readiness in the digital world that is unprecedented. Institutions and organisations did not think they had the ability to do these things, but they have been pushed into them by the pandemic. I think that will help with no-deal preparations because a lot of it will be done digitally, but it is an extremely difficult time for institutions right across the sector.

Maddalaine Ansell: The bandwidth point is really important. Universities have been struggling to deal with the impact of the pandemic on how they can continue teaching domestic students, continue to recruit international students and make the money add up. As Tim says, having to prepare for a range of different eventualities is complicated and difficult at this time. Universities vary in size and wealth, and some are better prepared than others to deal with it.

Q37 **Viscount Trenchard:** Going further from Lord Sharkey's questions and a bit deeper, how well prepared for a no-agreement scenario—I think we should assume a non-association agreement—are research and education organisations, including universities, research institutes and businesses, at the end of the transition period? Would you comment on whether you think government guidance for research and education institutions has been adequate and helpful, or not?

As has been noted, many of our research partners will want to continue to involve UK research organisations in research projects because it is obviously necessary and highly desirable from their point of view as well

as ours. Will we be allowed to continue to co-operate on the same projects if we do not have an association agreement? To what extent have universities prepared to increase the numbers of students they attract from other countries in the world, particularly, if we join the Trans-Pacific Partnership Agreement, from Asian countries that are members of that?

Professor Tim Wheeler: Some of my comments on the previous question are relevant to the first element of your question. There is a lot of uncertainty in the system at the moment. Organisations are trying to work through the potential impacts of a non-association and an association pathway at a very difficult time.

On your specific question about government guidance, the most recent public statements of intent we have are in the UK R&D road map. They set out that the UK will consider a relationship with the EU for participation in Horizon Europe, subject to the negotiation terms, and that, if we do not associate, the UK Government will meet any funding shortfalls and put in alternative schemes. At a headline level, I think that is clear guidance on the continuity of funding. The community itself will then start looking for more detailed guidance on how to apply, when to apply and to whom, and that sort of information will be made available only when we get close to the end of the negotiations.

As I said in answer to the previous question, this is important not only for the UK community, which needs to access the new funding opportunities in an association or a non-association pathway, but for those with whom they are looking to collaborate. They need confidence that, if they are committing to collaborations that include UK participants, those collaborations will follow through in an association or a non-association pathway.

It is a very difficult time. In a sense, I am reiterating a point I made in response to the previous question. UKRI is speaking broadly across the sector with its parent department, BEIS, and other parts of the UK Government and, where we can, sharing as much information as becomes available to us through our UK university network and our Brussels office.

Kate Ewart-Biggs: I think the attractiveness of UK higher education and continuing to bring in students in the future was part of your question. The research we did pre-pandemic was that the UK higher education sector remains incredibly attractive to students all over the world. When we look to the east and the tilt towards the Indo-Pacific, we find that students in China and India continue to have an appetite to come and study in the UK because of the strength of the sector.

The British Council continues to run all the marketing opportunities for the UK institutions, bringing information to students and insight to markets for the UK education sector—where the biggest markets are for students in the future and what the trends are. The pandemic has had a significant effect, from what we can tell so far. The response of different

countries to the pandemic, the numbers and the closures of schools and institutions across the world have made it very difficult for students to think ahead, and there is a sort of stagnation.

Having said that, we are running a whole set of higher education fairs around the world and finding that very significant numbers of students turn up at those wanting information. We will continue to monitor and do all we can. The footfall of international students coming to the UK is a massively important part of our economy. It is also part of the mobility agenda we are talking about today. We are looking very much at covering off countries around the world, outside the EU, and encouraging increasing numbers of students to come.

Viscount Trenchard: Maddalaine, do you have something to add? Students in the Indo-Pacific region are probably very nervous about coming to Europe or the UK because of the much higher incidence of the virus that we have here. I assume they would be less likely to plan to come to the UK in current circumstances. Do you have any thoughts on that?

Maddalaine Ansell: As Kate mentioned, we have been doing market sentiment surveys in many of the key markets for international student recruitment, and it is exactly as you say. We find that students from China and the Far East are undecided about whether to postpone their study in the UK, mostly on the grounds of health and personal safety. In the same surveys in, say, south Asia—India is an important market for us—students seem less concerned about coming to the UK on health grounds.

To deal more fully with your question, about 140,000 students come to the UK from the EU. That represents just over a third of all international students, but the whole international student picture is dominated by students from China. They will not continue to come for ever, because China is investing hugely in its own domestic capacity and wants not only to be able to educate its own students but to be a regional hub for other students from east Asia.

One of the things that we are doing, in consultation with the relevant government departments, is thinking about the best way to diversify our overreliance on Chinese students. There are a number of markets in east Asia, as you hinted, where we think we could do more, in countries such as Malaysia, Indonesia and Vietnam, but alongside that we need to make additional efforts to continue to attract EU students because of the particular contribution they make to the vibrancy and nature of our campuses. We should not give up on that.

I mentioned earlier that applications from EU students are down. Applications from non-EU international students are up. This must be because the other things they might be doing—travelling or entering the labour market—are not particularly attractive options at the moment. I was speaking at a higher education conference earlier this week. Anecdotally, in a straw poll of the universities there, nearly all of them

said, "Our international numbers are looking okay". We do not know whether they will turn up. There is a difference between somebody indicating that they want to come and arriving, but the picture is not as bleak as it looked in June.

Q38 Lord Cavendish of Furness: You may feel that this question has in part been answered. What are the opportunities for UK universities and research organisations post Brexit?

Professor Tim Wheeler: Leaving aside the European framework programmes that we have discussed in detail, UKRI and others continue to provide opportunities for global collaboration with non-EU countries. I have three examples. The Fund for International Collaboration supports UK collaboration with the world's leading nations for research and innovation—for example, the US, Canada and Japan. The Newton Fund supports collaboration with the higher end middle-income countries, and the Global Challenges Research Fund supports collaboration with the less-developed nations of the world. There will continue to be opportunities to collaborate across the world, both with non-EU countries, through those programmes and others, and through either full association or the domestic alternative pathway to ensure continuity of funding opportunities with EU nations.

Kate Ewart-Biggs: Tim has already mentioned the Newton Fund. There are examples of great mobility and research collaboration programmes outside the EU across other countries. We have mentioned a few of them. The British Council runs Study USA in Northern Ireland. Generation UK is a programme that sends young people to China for language, learning and work opportunities. We send 2,500 students overseas through the programme Maddalaine mentioned earlier, which is the language assistant programme where young people work in schools as English language assistants. All of those provide models for the kinds of programmes we could see more of.

The British Council has representation in 115 countries around the world. That is core to our ethos, our programme and our ambitions for the future. We would like to see much more of that. There are also individual other country programmes, including the BIRAX programme, which runs collaboration with partners in Israel. That is a great example of a model that we could use across the world.

Lord Cavendish of Furness: That is a very interesting answer. Thank you.

Maddalaine Ansell: The departure from the EU provides a brand-new platform for us to look at some of the things we need to do to be an attractive and effective country for collaboration. We have talked about making sure that there is adequacy of funding to meet our strategic ambitions.

We could put more effort into system alignment with a range of different countries. It will become even more important that we find ways to

collaborate easily with a wider range of different countries than perhaps we have in the past. We have touched several times on the importance of attracting talent. We mentioned that there have been quite a lot of positive changes to the immigration regime over the past year. That may be a response to Brexit. Going forward, we should continue to think about what we need to do so that our system is not so much about keeping undesirable people out but about making it easy for highly desirable people to come in. Perhaps we should have that shift in mindset.

Lord Cavendish of Furness: In the still watches of the night, I read two documents. One was an EU document of 29 September setting up the new Horizon programme. In tone and content, I found it a bit Eurocentric and “What is good for the European Union”—understandably, in a way. The second document, more enjoyably, was Kate’s wonderful memoir, *Skiing Uphill*, tracing your journey into full internationalism. Do you think there is a danger—I put it no higher than that—of the European Union becoming a bit inward-looking and less international in the full sense of the word?

Kate Ewart-Biggs: Is your question whether in the future there is a danger of the EU becoming more inward-looking?

Lord Cavendish of Furness: Yes. Having read that document, it talks a lot about what is good for the EU, what is good for EU people and how they can make themselves richer and so on, understandably in a way. It flagged up a little anxiety with me.

Kate Ewart-Biggs: I am afraid I have not read the document. The pandemic shows us so many things about the importance of being connected globally. For the EU to be successful in the future, it will have to continue to be very outward-facing, looking to countries around the world that will surprise us in the future.

To go off topic a little bit, we could look at how the pandemic has been dealt with in sub-Saharan Africa and east Asia. Sub-Saharan Africa in particular has surprised many western countries, including EU countries, in its ability to deal with that type of issue. I hope that, in the future, institutions such as the EU and groups of countries that come together are able, while they collaborate, to look much further afield to learn. That has to be the future. We have seen in the past six months how connected we are globally on good things but at times very dangerous and difficult things. The EU will have to continue to look outwardly; otherwise, it will not continue to serve its members so well.

Lord Cavendish of Furness: Does anyone else want to comment?

Maddalaine Ansell: Tim may know more about that. I think the direction of travel in the EU is to open programmes more to countries outside the EU both in Erasmus+, making it possible for students to go to more countries, and for institutions to collaborate with other institutions outside the EU. I think that is true of Horizon Europe, too, but I defer to Tim to confirm or correct me.

Professor Tim Wheeler: That is absolutely right, Maddalaine. Progressively, the European framework programmes have been more and more open to those outside the EU. Horizon Europe, in some of its early statements of intent, very much set itself the direction of being even more open than Horizon 2020.

I have a more generic point in answer to your question, Lord Cavendish. I admit that I have only read one of the two documents you mentioned. The winds of political change blow frequently in many different directions. Research funding is naturally long term. We need to keep a long-term view as we think about the stability of and support for the UK's research enterprise, because it will last the ups and downs of nationalism, multinationalism and the other winds of change from the political dimension. Potentially, certainly from historical successes, it will realise benefits over a five, 10 or 20-year period, rather than the more rapid timescales of some of the political changes.

Lord Cavendish of Furness: I found those answers very helpful.

Q39 **Lord Sharkey:** Six days ago, the Government announced the sustaining university research expertise funding package, for which the Cabinet Office uses the acronym SURE. To what extent, do you think the SURE funding proposal will address the likely shortfall in university research funding in the event of no deal?

Professor Tim Wheeler: My knowledge of that particular initiative is that it has a broader objective than simply the source of European funding and is aimed at the sustainability of the sector as a whole post Covid, so it is a much broader package. Although I am not familiar with the detail, I would expect that all that we have discussed today is seen as additional but separate from that in its objectives. We have discussed today providing continuity of funding in an association and a non-association pathway, which is interlinked with the sustainability of the university sector as a whole, but, for the purposes of today's discussion, it can be seen as additional and slightly bounded up against the broader initiatives on sustainability of the research sector.

Kate Ewart-Biggs: I defer to what Tim said. I do not know whether Maddalaine knows anything more than I do.

Maddalaine Ansell: I am not particularly familiar with that offer and how it has been received by universities.

Q40 **Lord McNally:** Professor Wheeler mentioned catching the winds of political change. We know the timetable that we are under with the green agenda, renewable energy, et cetera. Surely, our universities should be looking to become, or to retain expertise as, centres of excellence for the green agenda, and building collaboration to fulfil it. Our own Prime Minister, the President-elect of the United States and China are queueing up to sign up to action, not just words. It seems to me there is a real possibility for UK universities to carve out a specialist role, as countries seek to respond to the timetable that is being set.

Professor Tim Wheeler: I absolutely agree. The UK research community has been absolutely fundamental to the net zero carbon agenda for many decades, in the foundation decades of the 1980s and onwards in the formation of the IPCC. The community will be well aware of the opportunities. We have an enormously big set-piece coming up in November next year with COP 26 in Glasgow. Some world-leading UK institutions will be there, such as the Grantham Research Institute and the Tyndall centre. It will be a major showcase of the UK's expertise and the way it is contributing to the net zero agenda. I agree; there are enormous opportunities, and I am absolutely confident that our world-leading expertise is very much recognised in them.

Lord McNally: Will the British Council be banging the drum around the world about that?

Maddalaine Ansell: We will. We are already thinking about what we do to support COP 26, and in particular how we use it as an opportunity to reach out to young people and young voices, and bring those into the discussion. Universities and climate change were hot topics just before the pandemic hit, because of Extinction Rebellion, the declaration of the climate emergency and the fact that so many young people going on strike—the schoolchildren—were future university students. It was front and centre.

It is also a key agenda for the Association of Commonwealth Universities, and the UK is a member of the Commonwealth. There are lots of states in the Commonwealth that are particularly vulnerable to the impacts of climate change. We are thinking about how we can work with them on the right ways to come together for the university sector to make the changes it needs to make to contribute to the overall amelioration of the situation.

Kate Ewart-Biggs: In the work we do in the formal education and skills agenda around the world, and our work with young people outside the formal education system, providing them with the skills to participate in critical agendas in their societies, climate is at the very top. If we are to engage with young people successfully, we have to do it in the way they operate now. Look at Greta. The work we do outside the formal education process digitally with groups of young people in countries and societies where perhaps they would not come to more formal institutions will be really important. We want to do more and more of that type of work and, going back to COP 26, to hear the voices of young people, not just the traditional ones, and reach out to young people in communities that otherwise are ignored.

Lord McNally: I am very encouraged.

Q41 **The Chair:** Although you have all referred to the drops in student numbers, especially from the EU from 2015, and the overreliance on Chinese students and the need to diversify, what other steps do you think we should be taking to attract back those EU students, if France, Germany and Holland are benefiting at our expense, and what are the

areas where we can be helpful in the world of the Lords?

Professor Tim Wheeler: I do not have a lot to add about students specifically, and I am certainly not familiar with the data presented earlier. From the research side, the students who undertake the exchanges of today are the researchers of the future, so as an early element of the pipeline of research talent, much of which stays in the UK and contributes to our own research excellence, they are really important.

Kate Ewart-Biggs: There are lots of things we can be doing as a country to increase the attractiveness of the UK, because that is what this is all about. It is about continuing to promote the high excellence of UK universities, which people will continue to value, and the excellence of teaching and reputation, while doing all we can in the softer areas—culture and the arts—to promote the UK for its openness and its tackling of some of the big agendas in equality and racism. Those things are also important in attracting students. It is about helping universities with the move online. We have underestimated young people's appetite for learning in different ways, and we have to keep up with that. I think that has been a challenge for universities right across the world.

All those things have to happen at the same time. The pandemic has made it difficult, but we have to continue to promote all the things that students cherish about the UK when they come here. It is not just the educational experience; it is the experience of an open, tolerant society that we must continue to promote around the world. The British Council is at the very heart of contributing to that effort. Maddalaine, is there anything from the data point of view?

Maddalaine Ansell: To continue to attract international students, there is a set of things the Government can do and a set of things universities themselves need to do. Among the things that the Government need to do is continuing to signal the extent to which we value international students. Having an international education strategy helps; having an international education champion helps; and changes to the immigration regime for the graduate and student route help in sending the right signal. There are possibly things we can do on scholarships for particular countries additionally to signal the extent to which we value them.

For universities, in the short term there is something to be done to indicate that they are really thinking about the safety of students, both where they study and where they live, and thinking about their well-being. Young people are quite vulnerable when they move away from home, even more so if they are coming to another country. As Kate says, it is about working on the blended model to make sure that digital modes of delivery are immersive and compelling. The country that can get that right will have a strong competitive advantage.

The Chair: Thank you all for being so positive and for emphasising the connectedness, the collaboration and the long-term requirements of higher education and research. It has been inspiring to hear all the plans

you are making, despite the difficulties. Thank you very much. I am particularly taken by Maddalaine's phrase "our common life", which I liked. Kate Ewart-Biggs, Maddalaine Ansell and Professor Tim Wheeler, thank you very much for your time.